

**THE COMPLEXITY OF AID:
Government strategies, donor agendas and the
coordination of development assistance in Rwanda
1994-2004**

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DECLARATION

I hereby certify that this thesis is entirely my own work, except where stated otherwise, and that it has not been submitted for any other degree or professional qualification.

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ABSTRACT

This thesis contributes to current debates on aid politics, policy and practice by exploring the dynamics of the new aid agenda which emerged in the 1990s and early 2000s, focused on poverty reduction and the Millennium Development Goals. Concerns with aid effectiveness have led to renewed interest in programme aid (particularly budget support), coordination of aid and harmonisation around developing country strategies, and ownership.

Through an exploration of aid in Rwanda since 1994, I demonstrate the complexity of translating into practice a global consensus about the need for coherent, coordinated and effective aid. Different understandings and interests exist among donor agencies, within donor agencies, between donors and the developing country government, and within that government. On the one hand these reflect the specific Rwandan context, the recent history of the country, the nature of the Government and its development strategies, individual donor interests, donor domestic social and political issues, and personal agency. On the other hand, these differences relate to more general donor positions, including how donor policies tie in with international shifts in thinking on aid. I further analyze problems around the ownership of development policy and practice in aid-dependent environments.

The thesis discusses the Government of Rwanda's development strategy, its political and developmental priorities, and how these have been affected by its reliance on external assistance. It considers the relationship between the Government and donors and amongst donors by examining coordination and harmonisation mechanisms on the ground. It concentrates particularly on bilateral donors, and takes a deeper look at Belgium, a 'traditional' donor to Rwanda, and the UK, a 'new' donor, in order to compare and contrast donor positions. I conducted primary research over 18 months in Rwanda, the UK and Belgium, using semi-structured interviews with government officials, politicians and civil society representatives, observation of interactions between the Government and donors, as well as in-depth analysis of policy documents.

Diversity among the positions of actors in the aid system is not a new phenomenon. However, given the increasing convergence at the international level around universal goals, my research indicates that a much deeper understanding, and acceptance, of the political and practical complexity of aid at the country level is essential for improving aid effectiveness.

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ACRONYMS

AfDB	African Development Bank
AFD	French Development Agency
AFDL	Alliance of Democratic Forces for the Liberation of Congo-Zaire
AGCD	General Administration for Development Co-operation (Belgium) [precursor to DGCI]
APEFE	Association for the Promotion of Education and Training Abroad (Belgium)
APRM	African Peer Review Mechanism
BMZ	Federal Ministry for Economic Cooperation and Development (Germany)
BS	Budget Support
BSHG	Budget Support Harmonisation Group
BTC	Belgian Technical Cooperation
CAP	Country Assistance Plan (UK)
CDF	Common Development Fund (Rwanda)
CEPEX	Central Bureau for Public Investments and External Funding (Rwanda)
CfBT	Centre for British Teachers
Cida	Canadian International Development Agency
CSP	Country Strategy Paper (UK)
DED	German Development Service
DFID	Department for International Development (UK)
DGCD	Directorate-General for Development Cooperation (Belgium)
DGCI	Directorate-General for International Cooperation (Belgium) [precursor to DGCD]
DGCID	Directorate-General for International Cooperation and Development (France)
DPCG	Development Partners Coordination Group
DPM	Development Partners Meeting
DRC	Democratic Republic of Congo [Zaire until 1997]
EC	European Commission
EDF	European Development Fund
ESAF	Enhanced Structural Adjustment Facility (IMF)
ESSP	Education Sector Strategic Plan
EU	European Union
Ex-FAR	<i>ex-Forces Armées Rwandaises</i> [former Rwandan army under the Habyarimana regime]
FAO	Food and Agriculture Organisation (UN)
FCO	Foreign and Commonwealth Office (UK)
GBS	General Budget Support
GLR	Great Lakes Region
GoB	Government of Belgium
GoR	Government of Rwanda
GTZ	German Agency for Technical Cooperation
HARPP	Harmonisation and Alignment in Rwanda of Projects and Programmes

HIDA	Human Resources and Capacity Development Agency (Rwanda)
HIPC	Heavily Indebted Poor Countries Initiative
HMG	Her Majesty's Government (UK)
HQ	Headquarters
HRW	Human Rights Watch
ICG	International Crisis Group
ICRC	International Committee of the Red Cross
ICT	Information and Communications Technology
IDA	International Development Association (World Bank)
IDP	Internally Displaced Person
IFIs	International Financial Institutions
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
MCA	Millennium Challenge Account (USA)
MDGs	Millennium Development Goals
Minecofin	Ministry of Finance and Economic Planning (Rwanda)
Mineduc	Ministry of Education (Rwanda)
Minisante	Ministry of Health (Rwanda)
MONUC	United Nations Organization Mission in the Democratic Republic of Congo
MoU	Memorandum (Memoranda) of Understanding
MTEF	Medium-Term Expenditure Framework
NEPAD	New Partnership for Africa's Development
NGO	Non-governmental organisation
NURC	National Unity and Reconciliation Commission (Rwanda)
ODA	Official development assistance
ODA	Overseas Development Administration (UK) [precursor to DFID]
ODI	Overseas Development Institute (UK)
OECD	Organisation for Economic Cooperation and Development
OECD-DAC	Organisation for Economic Cooperation and Development – Development Assistance Committee
PEPFAR	President's Emergency Plan For AIDS Relief (USA)
PFM	Public Financial Management
PRGF	Poverty Reduction and Growth Facility (IMF)
PRSC	Poverty Reduction Support Credit
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PRS-PR	Poverty Reduction Strategy Progress Report
RHAI	Rwanda Harmonisation and Alignment Initiative
RPA	Rwandan Patriotic Army
RPF	Rwandan Patriotic Front
RT	Round Table (UN)
RWF	Rwandan Francs
SAP	Structural Adjustment Programme(s)
SBS	Sector Budget Support
SDC	Swiss Agency for Development and Cooperation
SG	Secretary-General (Rwandan ministries)
SGTF	Secretary-General's Trust Fund (UN)

Sida	Swedish International Development Cooperation Agency
SPA	Strategic Partnership with Africa
SPPMD	Strategic Planning and Poverty Monitoring Department (Rwandan Ministry of Finance)
SWAp	Sector-Wide Approach
TA	Technical Assistance (Assistants)
UK	United Kingdom
UNAMIR	United Nations Assistance Mission for Rwanda
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNICEF	United Nations Children's Fund
UNHCR	United Nations High Commission for Refugees
UNRCO	United Nations Resident Coordinator's Office (Rwanda)
UNTF	United Nations Trust Fund
USA	United States of America
USAID	United States Agency for International Development
VVOB	Flemish Association for Development Cooperation and Technical Assistance (Belgium)
WB	World Bank
WFP	World Food Programme

EXECUTIVE SUMMARY

Chapter 1 - Introduction

This thesis contributes to current debates on aid politics, policy and practice by exploring the dynamics of the new aid agenda which emerged in the 1990s and early 2000s. These focus on the reduction of poverty by enhancing the effectiveness and efficiency of aid, primarily through improving the coordination of donor agency interventions around a country-led poverty reduction strategy.

In 2004, the Government of Rwanda (GoR) was heavily dependent upon international development assistance from a wide range of bilateral and multilateral donors, as well as non-governmental organisations. This situation of dependency has contributed to the adherence of the GoR to a dominant set of norms for development, marrying neoliberal economic principles with a concern for human advancement. Nevertheless, the voice of the Government is very strong within its vision for the development of the country.

The policy principles of most of the main donor institutions present in Rwanda are remarkably similar, with poverty reduction as the over-arching objective. However, there is anything but homogeneity amongst donor agencies, just as there is anything but homogeneity within the GoR. Multiple donors are engaged in Rwanda, yet their composition, policies, instruments and reasons for providing aid have shifted greatly over the last ten years. The picture is one of considerable complexity, with donors differing in their views on both the political and technical aspects of providing aid, in turn reflecting diversity in their understanding of the Rwandan state.

Through an exploration of the dynamics of aid in Rwanda between 1994 and 2004, I highlight the problems of translating the apparent international consensus into practice in the face of significant variations within the policies, priorities, agendas and perspectives of the different actors involved in the aid system. In-depth case studies of Belgium and the UK provide a deeper insight into donor positions. A variety of sources and research methods were used: academic and agency literature on aid and development theory and practice; academic and agency literature on Rwanda; semi-structured interviews conducted in Rwanda, Belgium and the UK in 2003 and 2004; and observation of conferences, seminars, meetings and workshops.

Chapter 2 - Coordination and Ownership: The Aid Agenda of the 1990s and 2000s

This chapter focuses on the shifts in aid thinking during the 1990s and early 2000s whereby international debates, aid agency policy and increasingly developing country rhetoric took on board a new range of theoretical and conceptual ideas. The concern with addressing poverty has focused international attention on the need not only to increase the amounts of aid flowing to the poorest countries of the world, but also to ensure that better use is made of that aid through improved coordination amongst actors and through country 'ownership' of development policies and programmes. The new agenda captures two clear rationales for the provision of aid: moral imperative and strategic self-interest.

The New Aid Agenda

The basic system is as follows. If the recipient can demonstrate its commitment to a poverty reduction strategy through sound economic management and good socio-political governance, then donors will commit to supporting it. However, this requires that the poverty reduction strategy meets donors' own accountability requirements, hence the provision of capacity building and technical assistance from the donor in addition to, or as elements of, aid to support the preparation and implementation of this strategy. To ensure the best use of donor resources and provide accountability, conditions applied to aid include economic and socio-political governance, policy dialogue and effective monitoring and evaluation systems. For their part, donors commit themselves to better working practices to improve aid effectiveness in the form of coordination, harmonisation and alignment.

Programme Aid and Budget Support

The new agenda has seen the re-emergence of programme aid, in particular general budget support and sector budget support. Programme aid is more than a mere funding mechanism but incorporates a framework of assumptions, activities and conditions. It is considered to be superior in terms of allowing for policy dialogue, enhancing ownership, and improving coherence. However, there is a contradiction between the concept of national ownership and the increased influence donors have over the national policy environment through dialogue and conditions attached to budget support. In theory, budget support is considered to be an appropriate instrument where there is 'trust' in the relationship. What we see, however, is a tendency for budget support to be provided to weak states, often with a dubious track record on governance. Budget support also has a tendency to increase, rather than decrease, transaction costs.

Aid Effectiveness

In the early 2000s, there were intense debates at international and national level about improving aid effectiveness through better coordination of aid, particularly through alignment of aid around recipient programmes, and harmonisation of donor procedures. This represents a second profound shift in the aid effectiveness debate. The first was that of enhancing recipient ownership of development strategies. The harmonisation agenda stresses the *joint* nature of responsibilities for aid effectiveness. Despite this, many of the problems of coordination identified in the 1980s remain unresolved. One fundamental issue is that of who coordinates the coordinators, an issue which is salient at both international and national levels and is manifested in competition amongst agencies over who leads on particular questions. While donors have taken on board the principle of this agenda, they are less inclined to adapt their practices. However, analyses rarely consider the *political* imperatives which continue to affect firstly the way in which donors perceive coordination and secondly donor capacity to change their working methods.

Conditionality and Policy Dialogue

The new aid agenda adds new dimensions to debates on conditionality. The language has moved from imposing conditions from the outside – which are unlikely to be implemented – to 'mutual commitments' whereby donors agree a set of terms with the recipient. Central to this are dialogue between donors and the recipient

government, and the ‘streamlining’ of conditionality. This has resulted in new types of partnership instruments, such as memoranda of understanding (MoU), common frameworks and partnership principles, which lay out a series of donor, government and joint commitments often with quantifiable benchmarks or targets. This brings with it new challenges, most notably the circumstances under which budget support should be halted, demonstrating that new programme aid is highly political.

Partnership and Ownership

Underpinning all of these debates are the core concepts of ‘partnership’ and ‘ownership’. I recognise two key dimensions here: recipient government ownership of development programmes in relation to donors and external actors, i.e. between donors and recipients; and public ownership of development programmes in relation to government, i.e. between recipient governments and the people. The notion of ‘ownership’ is therefore quite specific; it is closely tied to the other elements of the poverty agenda and sits within the framework of a ‘development partnership.’

Ownership consequently sits at the heart of the aid effectiveness system. Yet ‘ownership’ under these circumstances cannot be equated with home-grown ideas, inherent, internal ownership or ‘free choice’. It carries prescriptions about what is expected of recipient countries, namely that their objectives are largely congruent with donor goals. This leads to a potential conflict between the desire of donors to promote ownership in the interests of more effective aid, the desire of recipients to have ownership, and the reality that donors remain accountable to their own constituencies for the use of aid resources.

Chapter 3 – Donor Engagement in Rwanda: Politics, Priorities and Practices

In June 2002, the Government of Rwanda (GoR) published the final version of its first Poverty Reduction Strategy Paper (PRSP). In November 2002, donors and the GoR reached agreement on the adoption of a coordination framework to facilitate the implementation of the PRSP. However, the consensus around the PRSP masks considerable differences in donor activity in Rwanda. Between 1994 and 2004 important shifts can be observed in the presence, policies and practices of the main donors.

Trends in Donor Behaviour 1994-2004

The civil war and genocide in Rwanda were catalysts for change in donor engagement. In the immediate aftermath of the genocide most donors directed their support through UN agencies and NGOs, and it was only in 1995 that bilateral aid programmes really began to resume. Subsequently, Rwanda’s top donors have changed with France, Germany and Belgium (‘traditional’ donors) playing a lesser role, and the UK, the Netherlands and Sweden (‘new’ donors) significantly increasing their presence. Patterns can be observed amongst those donors increasing their aid, those increasing then decreasing their presence, those decreasing and then re-engaging, and those who have withdrawn altogether. This demonstrates how much fluctuation there can be in donor presence in a country, with peaks and troughs reflecting key events in Rwanda and the Great Lakes. However, these shifts also reflect changing circumstances in donor countries, such as increases or decreases in aid budgets, new political priorities, or administrative procedures.

Objectives for Aid: Donor Rationales for Supporting Rwanda

There is a clear distinction between donors who have a long history of supporting Rwanda and those whose presence was initiated in response to the genocide. In terms of core objectives, we see a shift from emergency support towards poverty reduction, with security and stability remaining as central issues. The degree of priority attached to Rwanda also varies, e.g. Rwanda is a top-priority country for Belgium but of minimal importance to the USA. The interest of individual ministers also accounts for donor presence, as does civil society pressure.

How Donors Provide Aid: the Instruments

Comparing 1993 with 2003 we see that overall amounts of aid to Rwanda have not changed considerably. The instruments, however, have. While the UK and Sweden provide budget support to the GoR, other donors prefer the project approach. The reasons for this include a domestic policy preference for project aid in general and concerns about governance in Rwanda, both political and institutional. Although often seen as two very separate groups, there is considerable collaboration between budget support and project donors, with signs of more donors moving towards a sectoral approach to the provision of aid. This does not mean, however, that budget support is a logical next step. Moreover, the shift to projects within a sectoral approach challenges the idea of projects as bypassing government systems.

Presence, Policy Dialogue and Conditions on Aid

The diplomatic and technical presence which donors have on the ground in Rwanda differs widely, which in turn affects the capacity of the agency to engage in both policy dialogue and coordination. While nearly all donors stated that they did not attach conditions to their aid, they each have a range of instruments and systems which frame their programmes. We can often observe a difference between the broad political conditions which frame the entire programme, such as a demonstrated adherence to poverty reduction and good governance, and technical, procedural conditions attached to individual projects.

Budget support is subject to a different set of conditions. In Rwanda, budget support is provided by the UK, Sweden, the European Commission, the World Bank and the International Monetary Fund. Despite attempts to harmonise budget support, each of these donors uses different technical and political mechanisms and triggers.

Chapter 4 – From Global to Local Frameworks: Coordination, Harmonisation and Alignment in Rwanda

This chapter explores coordination activities in Rwanda in 2003 and 2004. In 2003 coordination was a limited concern, but was more central by the end of 2004. The chapter reveals the complexity of turning a unitary vision about aid effectiveness at the international level into reality, highlighting profound questions around ownership, power and control.

The Aid Coordination Architecture in Rwanda

In 2004, a complex web of inter-related committees and coordination groups framed the aid system in Rwanda. This consisted of three main levels. Firstly, the Development Partners Meeting (DPM) which represents the highest level of

interaction between the GoR and donors and acts essentially as a diplomatic instrument with both technical and political objectives. Secondly, the Development Partners Coordination Group (DPCG) which acts as an in-country forum for policy dialogue and information exchange on technical matters and partner activities. Finally, answering to the DPCG at the technical level are two technical working groups, the Budget Support Harmonisation Group (BSHG) and the Harmonisation and Alignment in Rwanda of Projects and Programmes (HARPP) group, and the sectoral 'clusters'.

Although this system appears coherent and well structured, a large number of issues remained unresolved at the time this research was conducted (2003-04). Questions abounded about responsibility, participation, accountability, capacity, control and ownership, not just between the GoR and donors, but also amongst donors.

Coordination in Practice: The Clusters

Little real progress was made with cluster groups until 2004. New dynamism was firstly linked to pressure being applied from the highest authority on ministries to develop sector strategies. This was presented as important in terms of implementing the GoR 7-Year programme adopted after the elections in 2003; but it also helped to demonstrate progress in implementing the PRSP to donors, and to access Poverty Reduction Support Credit (PRSC) from the World Bank. Secondly, the appointment of a coordination specialist within the UN Resident Coordinator's Office (UNRCO) sought to bring structure to aid coordination in Rwanda and to bolster GoR capacity to take greater control of the process.

An analysis of the cluster system as foreseen in 2002 and in practice in 2004 exposes a series of problems: lack of activity by many cluster groups; considerable overlap between sectors; limited participation of government representatives; lack of clarity on the role of clusters; and cluster leadership. Different perspectives between the government and donor sides are evident, with views on the role of clusters shifting over time. The education and health sectors provide examples of how clusters work in practice.

Budget Support and Harmonisation

Harmonising the procedures of budget support donors was high on the agenda in late 2003, with attention focused on the preparation of a Partnership Framework. An analysis of this process highlighted several issues. Firstly, the driving forces behind it were clearly the European Commission and the UK with other budget support donors being more hesitant. Secondly, donors had different levels of capacity to commit to the Framework, so it ended up as a set of 'reciprocal commitments' which were unenforceable and which were subordinate to bilateral arrangements. Thirdly, a "pluralism of approaches" was considered preferable as this lowered the risks for the GoR, essentially representing a move *away* from harmonisation. Fourthly, these discussions concerned only a very small group of donors, reflecting that budget support donors were engaged in a different relationship with the GoR to non-budget support donors. Finally, issues around predictability remained unresolved, an area of considerable concern to the GoR.

Government Leadership and Internal Coordination Issues

Since 1994, the GoR has expressed frustration with the aid system and has demanded greater control over aid flows, more predictability and flexibility in funding, greater transparency and better coordination amongst donors. A range of instruments have been established over time to address these issues. However, in 2003-2004 the GoR appeared no clearer on coordination in practice than many donors. This reflects internal debates about responsibility for aid coordination within the government, as well as deeper concerns about aid coordination, internal power structures, and national sovereignty with regard to policy processes.

Perspectives on Coordination

Primary data revealed a positive perspective on coordination amongst donor and government officials, but considerable differences in opinion about what coordination meant, how fast it should be developed, and what the end goal was – better collaboration amongst actors in general or progression towards the provision of budget support by all donors.

Chapter 5 – From Emergency Aid to the Poverty Agenda: Donor-Government Relations in Rwanda 1994-2004

While international shifts in the aid system frame the working relationship between the GoR and donors today, the very specific context of the Rwandan experience affects how donors engage with Rwanda. This chapter examines the recent history of aid in Rwanda and the contextual factors impacting upon relationships.

The Emergency Response to the Genocide and the Round-Table Process 1994-1997

During this period aid primarily flowed as humanitarian assistance through UN agencies and international NGOs, with dialogue run through the UN-sponsored Round Table mechanism. The rapidly changing requirements brought about by population movements – of refugees, displaced people and the political elite – and the unfolding regional security situation hampered efforts to implement a coherent policy. Relations between the GoR and the donor community were strained by: ongoing instability in the region, fuelled by the presence of hostile forces within refugee camps outside Rwanda's borders; doubts on the part of many donors, mingled with guilt, about the new regime with regard to internal political developments and the refugee situation; GoR frustrations, mixed with bitterness, over unfulfilled pledges and support to refugees unmatched by support to survivors within Rwanda; and GoR frustration over its lack of control over aid flows. Some donors, particularly those with a longer history in the region, expressed concern about political events with occasional freezes on aid, although in general limited pressure was placed upon the GoR in an atmosphere which accorded considerable 'genocide credit' to the new regime. Coordination amongst agencies was limited with poor information flows, weak capacity on the GoR side and inter-agency rivalries.

From Emergency Assistance to Budget Support: Rwanda as a 'special case' 1997-2000

1997 to 2000 revealed an evolving pattern of divergence between supportive and hesitant donors, reflecting contrasting assessments of Rwanda's situation. On the one hand, there were positive assessments of the progress the GoR was making in terms of establishing social, economic and political order. To support these efforts, attempts were made to mobilise direct support for the GoR, championed by new donors (notably the UK and Sweden) who were strongly supportive of the Kigali government and who argued for Rwanda to be treated as a 'special case' for assistance. On the other hand, continuing insecurity in some parts of the country until 1998 and Rwanda's military engagement in the escalating conflict in the DRC, compounded with questions about the domestic politics in Rwanda and human rights raised concerns in other quarters. A number of donors became increasingly nervous about the new regime, with countries such as Norway and Ireland gradually reducing their presence and others placing additional conditions upon aid.

There was a shift from what was widely seen as a dysfunctional Round Table process to more ad-hoc meetings which eventually consolidated into regular Development Partners Meetings. By 2000 coordination of aid, types of aid, as well as ownership of the process were becoming increasingly salient.

The Shift to Rwandan Soil and the Poverty Reduction Agenda

A third period can be proposed from 2000 until the present day, dominated by the consolidation of the poverty agenda and the end of Rwanda's political transition. Donors demonstrated a willingness to coordinate around Rwanda's poverty strategy, with budgetary and sectoral programme support playing an increasingly important role. The shift of partner meetings to Rwandan soil increased GoR 'ownership' of the aid process.

However, relationships continued to be overshadowed by the broader political context. Regional security and conflict, as well as human liberties and institutional governance dominated dialogue between the two sides. Aid was withheld by some donors, primarily the 'new' donors, over governance issues, demonstrating a commitment by some to apply more stringent conditions to aid, which contrasted with deepening collaboration on the poverty agenda. Inconsistencies amongst donors in their reactions to events sent mixed messages to the GoR. This highlights contradictions between donor analyses of the socio-political context and their technical relations with the GoR.

Chapter 6 – Dependence on Aid, Independence of Mind: Policy Positions of the Rwandan Government

Ensuring an adequate flow of resources in the face of limited domestic capacity has been a central concern of the GoR. This is reflected in a policy discourse which adheres to the dominant norms of international development and which has consequently solicited a favourable response from donors. However, the GoR also has its own priorities which it strongly defends. An analysis of the policy positions of the GoR since 1994 reveals continuity in priorities which go beyond the core donor-Government poverty agenda, and which are at times controversial. This helps explain the different ways in which donors understand and engage with the GoR.

National Policy in the Face of Aid Dependency

The GoR has made considerable progress in rehabilitating the Rwandan economy and society since 1994. Rwanda has relied heavily on external financial and technical support, and arguably is becoming increasingly aid dependent with the growth in aid to the central budget. Nevertheless, there is concern amongst Rwandan officials about the need to combat any culture of dependency and to ensure that policy is 'owned' by Rwanda. Dependency does not mean that Rwanda should compromise on core principles.

Consequently, while the poverty agenda is a central feature of Rwandan policy, it only represents part of the GoR's overall aims. Often overlooked by donor agencies, there are key founding principles at the heart of GoR policy which have remained constant since 1994, namely concerns about unity and reconciliation, exclusion and discrimination, internal and external security, and governance. Poverty plays a lesser role. The example of the GoR's position with regard to security threats from the DRC illustrates how the GoR presents its case and deals with external criticism.

Rwanda as a 'Developmental State'? Appealing to the International Community

Rwanda displays some characteristics of the 'developmental state', marrying a tightly controlled political system with an apparently genuine commitment to socio-economic reform. With its long-term goal of transforming Rwanda into a modern economy building on its human resource endowments, the GoR is concentrating heavily upon economic growth and transformation. Poverty reduction and social development are also important objectives. While the international community has played a significant role in policy in these areas, there are also examples, such as in justice and rural development, where the GoR has strongly pushed its own ideas – often in the face of donor resistance – which illustrates its commitment to development.

Good Governance: Technocratic and Political Angles

Governance is central to the concerns of the international community; however, the GoR's commitment to improving governance in Rwanda has been present within its policy priorities since 1994, notably in terms of improving public sector management, addressing privatisation and the structural reform of the economy, strengthening the judiciary and promoting democratisation. The GoR's perspective on governance sees it as an instrument of national unity, reconciliation and security, rendering the 'new' Rwanda fundamentally different to the old.

Within its discourse there is space for democratic development and a strengthened voice for civil society; however, limits are set upon political freedoms in the interests of national unity. The circumscription of political liberties in Rwanda, which arguably increased prior to and following the elections of 2003, has led to accusations of the GoR becoming increasingly authoritarian. The political vulnerabilities of the new regime are present within a harshening of the rhetoric with regard to the genocide and 'genocide ideology'. The provision of aid has been affected by these tendencies.

The Faces of the GoR

Consequently, it is possible to 'read' the current situation in Rwanda in different ways. This affects how donors perceive the GoR, how they engage with the regime,

how they deal with the genocide legacy and GoR discourse, and what they choose to 'see'. For donors providing aid under a broad-based programme, a core question is how to balance negatives and positives, such as the presence of a more independent media against limitations set upon these, an improvement in fundamental human rights against limited freedom of expression, a state genuinely committed to socio-economic development and institutional good governance against a deteriorating political governance record.

It is clear that donors are far from controlling development processes in Rwanda, and that the GoR does not passively defer to donor demands. This demonstrates that, despite dependence upon external resources, the GoR does have a strong degree of ownership over policy and processes.

Chapter 7 – Donor Positions: Belgium and the United Kingdom in Rwanda 1994-2004

In the early 2000s the development cooperation ministries of Belgium and the UK published new policy papers on Rwanda, committing themselves to supporting poverty reduction, peace building, governance, socio-economic development and human rights, and working within the framework of Rwanda's PRSP. There are, however, considerable differences between the strategies.

History and Domestic Political Factors

While Belgium's official links with Rwanda date back to the 1920s, the UK has only significantly engaged with Rwanda since 1994. Belgium's support for pre-genocide regimes and the withdrawal of Belgian troops from Rwanda during the genocide led to an atmosphere of 'mutual distrust' between the Belgian and Rwandan governments after 1994. The relationship evolved towards one of 'cautious engagement' on the part of the Belgian government, allowing engagement and an increase in support but also sufficient detachment to satisfy an often sceptical Belgian public where viewpoints were at times polarised and highly critical.

In contrast, the UK's lack of an historical legacy in Rwanda was considered a strength, enabling a relationship of trust to be built up with the new Rwandan regime. The UK was very supportive of the GoR at times when other donors were expressing qualms. British presence expanded rapidly, in particular after 1997. The programme was characterised by limited in-depth knowledge of Rwanda early on, strong personal commitments on the part of high-level British politicians, and limited public interest. Only after about 2002 were more questioning voices raised within the UK about the programme, linked to reports of human rights abuses within Rwanda and the DRC. As this more critical analysis of the GoR filtered into British cooperation activities, the Belgian government appeared to be adopting a more positive stance.

Development Cooperation and Foreign Policy

Despite tensions between the two governments, Belgium never stopped providing aid to Rwanda, reflecting the importance to Belgium of the Great Lakes region in strategic and cooperation terms. For the UK, Rwanda is of no real strategic importance although it has become increasingly engaged in the wider Great Lakes region since about 2002.

Belgian aid in the mid to late 1990s was affected by a wider reform of Belgian cooperation which prevented a coherent strategy being adopted before 2002. Consequently, there was a great deal of continuity in project activities on the ground, with Belgium providing aid through a variety of channels. The UK provides the bulk of its aid as general budget support, reflecting new approaches being adopted within DFID. The UK has been very active in bolstering Rwandan systems to manage budget support and in promoting instruments such as Sector Wide Approaches. Although Belgian policy papers in 2003 were proposing the use of sectoral and budget support in broader cooperation policy, there remained considerable doubts about using these in Rwanda due to concerns over political and administrative governance.

Policy Dialogue and Conditionality

The UK's use of budget support in Rwanda called for new accountability mechanisms, captured primarily in a Memorandum of Understanding signed in 1999. Central to the UK's approach has been the policy dialogue potential offered by close collaboration with key politicians, officials and line ministries. The revised MoU of 2004 reveals greater political analysis and increased conditionality – albeit in the language of 'mutual commitments'. This more political angle is evidenced in delayed disbursement of budget support instalments in 2004 due to concerns about Rwanda's engagement in the DRC and progress on political liberalisation. This delay raised fundamental questions about the predictability of budget support as an instrument.

While Belgian policy documents express the importance of policy dialogue and political conditions upon aid (again phrased as 'commitments'), the nature of Belgian cooperation which focuses on support for the people not the government and the practical reality of project mechanisms means that there is very little evidence and impact of such conditions on the ground.

The chapter concludes that the differences between donors can be divided into two categories: the political and the administrative. These can be sub-divided into agency-wide factors and factors specific to the recipient country. Four core issues affecting aid policy and practice in Rwanda stand out. Firstly, how donors interpret political, social and economic events affects dialogue with the GoR and choices for aid. Changes in aid approach can be attributed to policy decisions applied throughout the agency or to specific reactions to events in Rwanda. Secondly, the history of the donor in Rwanda profoundly affects its relationship with the GoR and its room for manoeuvre vis-à-vis home constituencies. Thirdly, the type of aid instruments employed affect the nature of the relationship between the donor and the GoR in terms of policy dialogue and capacity for leverage. Finally, underpinning all other elements is the domestic environment of a donor which frames the entire relationship in political, administrative and technical terms. Political transitions in the UK and Belgium impacted upon development policy and practice in Rwanda, but changes were also linked to swings at a global level in development thinking, tied to economic and social currents. Since 1994, there have been no dramatic changes in relations between the GoR and these two particular donors, but the positions have nonetheless shifted demonstrating the salience of political contexts to aid relationships.

Chapter 8 – Conclusion: The Complexity of ‘Ownership’ of Development Policies and Processes

This research was conducted at a time when systems were being constructed to turn the new principles of aid oriented around poverty reduction into practice. While limited to observations on the establishment of this system, rather than outcomes or results, this research raises important questions about the new principles of aid.

‘New’ Programme Aid in Rwanda

Budget support is a cornerstone of the new aid agenda. In Rwanda, the majority of donors continue to prefer the project mechanism although increasingly projects are being coordinated with GoR priorities. Budget support in Rwanda throws up several issues. Firstly, trust in the recipient government and robust systems to manage funds are considered necessary conditions for budget support. The UK and Belgian approaches illustrate two very different positions: the prudent approach of Belgium to engage cautiously until the systems are in place to ensure political and administrative accountability; and the risk-taking of the UK which has spent years building the institutions and policies necessary to fulfil accountability requirements. Sector budget support has been seen as a compromise mechanism for enhancing aid effectiveness without the risks. Some donors are falling back on this mechanism, counteracting the idea of a linear progression from projects to sectoral aid to budget support and bringing to the fore new complexities around institutional capacity for managing sector strategies.

Secondly, experiences in 2003 and 2004 highlight how budget support can be a very unpredictable instrument, with delays in disbursement for technical and political reasons. Given the greater dependency which budget support induces, this poses considerable risks for the recipient. Harmonisation also represents a risk in that donors could potentially bring about political instability by withholding budget support. In Rwanda, there was limited evidence of real harmonisation taking place; indeed, the move away from cross-conditionality towards more flexibility amongst budget support donors implies a shift in the opposite direction.

Thirdly, there are contradictions between local ownership of aid and policy processes and donor exigencies in respect of policy dialogue and conditions. This may affect democratisation and government-populace accountability.

Finally, aid agencies continue to be under pressure to spend their budgets, increasingly so as aid to Africa rises. Budget support is seen as a core instrument to enable more money to be moved faster. This imperative may override concerns about accountability and ownership.

Coordination and Harmonisation: Re-assessing Ownership

The Rwandan case highlights the difficulty of translating global agreements on coordination into practice. Although the GoR is a partner in the process, it is essentially donor-led. There is limited evidence to suggest a government-wide consensus and there has been no consistent message or drive from the GoR side. There appears to be a fundamental tension between demands for quick results and Government ownership.

Questions of sovereignty and power also arise. The new aid agenda is increasing the power of the Ministry of Finance relative to other ministries in their relations

with external actors. Lines of accountability may consequently be rendered more 'normal', i.e. internal, but this also highlights how aid systems can impact upon power relations within recipient governments. On the donor side, there is evidence of coordination becoming a new 'flag-flying' mechanism, with donors keen to show how engaged they are with the new agenda.

The Rwandan case also shows how actors understand coordination, harmonisation and alignment in different ways, raising questions about whether coordination can function without overall agreement on the core concepts and agendas. This is all the more salient when it comes to analyses of the Rwandan state. Harmonisation is hampered not only by different donor domestic constraints, but by their different understandings of what is happening in Rwanda. Coordination on the ground may be a largely technical matter, but understanding the political context is crucial.

Coordination activities are increasing transaction costs for donors on the ground, yet motivations are unclear. There is pressure from headquarters to engage with the coordination agenda, but the evidence would suggest that this is not becoming inherent to daily practices or leading to changes in donor structures. Constraints imposed at headquarter level obstruct space for changing donor behaviour in practice, and consequently for enabling recipient ownership.

The Global Consensus Revisited

The central argument emerging from this study is that profound differences at multiple levels between the strategies and agendas of aid actors present a serious obstacle to the application of international agreements about the components necessary for effective aid. The tendency to talk about 'donors' and 'recipients' or 'partners' masks very profound differences between them and within them. There is agreement at the global and local level that aid should focus on poverty reduction, that good governance and country ownership are essential to aid effectiveness from the recipient side, and that improved coordination, harmonisation and alignment are essential on the donor side. Yet, the priorities and perspectives of each actor vary widely when it comes to policy and action. In this situation, no one agenda is more nor less legitimate. The choices that donors make about how to and what to engage with reflects their particular understanding of the GoR.

From a developmental perspective, Rwanda has made remarkable progress since 1994, appearing genuinely committed to economic growth and social development. From another angle, however, the GoR shows signs of increasing authoritarianism and regional belligerence. On the basis of the former assessment, Rwanda is a prime candidate for increased donor assistance, and arguably increased budget support; the latter analysis, however, implies that donors are shoring up a potentially authoritarian, neo-patrimonial regime. It can be argued that in providing assistance donors are creating space for political dialogue in order to steer the GoR towards better governance and service provision; and that by encouraging the GoR to invest in social services, justice, governance and accountability, Rwanda may become a sustainable democracy. However, a very subtle understanding of the political dynamics of the country is required for this and there are doubts as to whether that knowledge exists within the daily activities of officials in aid agencies.

At multiple levels – international, agency, national and sub-national – a range of historical, cultural, economic and political factors impact upon donor activities. These factors are both Rwanda-specific and system-wide. These divergences can be

both problematic and beneficial for the GoR in that they create considerable difficulties in the management of aid, yet they also provide room for manoeuvre.

Ownership of Aid Policy and Processes in Rwanda: donor-dominated, recipient-led or joint?

The concept of 'ownership' is central to the new discourse on aid, and of prime concern are the locus of 'ownership' and notions of 'having', 'giving' or 'taking'. The Rwandan case highlights the problem of equating ownership with the recipient setting the agenda. Rwanda's poverty strategy was strongly influenced by external assistance and consequently it is not merely a Rwandan agenda, but an agenda which satisfies the external financiers also. This is far from representing a free-rein for the recipient to 'have' full ownership and set its own development agenda. This does not mean that there is no government ownership; indeed, the GoR's capacity to forge its own identity and to enforce it has been a constant throughout the post-1994 period.

Donors have aligned around Rwanda's poverty agenda, but only in the sense of making this the common framework for programmes and projects. Most donors continue to work in accordance with their own prerogatives. Ownership can therefore be seen as an aspiration to be worked towards. Since 1994 the GoR has asserted more control over aid as government institutions have been consolidated and structured policies developed, and also as Government capacity to manage aid and policy has increased. Donors have been willing to concede some ownership with the adoption of the PRSP. This represents a mutual process of donors 'giving' ownership as the GoR 'takes' it. There are limits to this linear idea, however. On the one hand, there are limited signs of the GoR forging a coherent strategy to 'take' ownership. Pragmatism in terms of maintaining access to resources mitigates against this. On the other hand, there is a limit to how much control donors will ultimately concede over aid policies and processes. While the new aid agenda may have the aim of increasing recipient ownership as a central theme, the reality is that conditions and selectivity are, if anything, greater.

Consequently we can observe the establishment of a system of joint ownership based on mutual responsibilities. The policy process is as follows: the GoR puts forward its agenda, which reflects what donors want to see; then a process of negotiation ensues with donors requesting particular amendments to satisfy their needs. This would imply that provided donors are happy with a strategy they will allow the GoR to 'own' it; where there is dispute, which is more likely in sensitive areas like justice or governance in comparison to health or education, while donors may not refuse to support it, they will try to amend it. This is not *country* ownership, but rather *joint* ownership.

Real country ownership and consequently real aid efficiency attuned to country-specific requirements would require a complete change in donor perspectives and the establishment of a truly bottom-up system. The aid system as it currently stands is unavoidably inimical to national autonomy.

Introduction

The international community ... has reaffirmed the importance of putting the recipient country *in the driver's seat* in devising its development program and in leading coordination processes. (World Bank Operations Evaluation Department April 2000, emphasis in original)

The Government of Rwanda needs to take charge and put itself in the driving seat (Director of Strategic Planning and Poverty Monitoring Department, Ministry of Finance and Economic Planning, Rwanda, 17 March 2004)

Just who should be 'driving' development policy and processes in poor countries is a contentious issue. The analogy of the 'driving seat' is a recurrent and powerful metaphor in contemporary development discourse, reflecting concerns about who controls the ideas, policies, programmes and management mechanisms which make up the complex system of international development assistance. It reflects, more precisely, a wider debate about the 'ownership' of development processes and the voice within this of the recipients of aid. This represents a profound shift in development thinking away from the imposition of strategies by external donor institutions to a system led by the recipient country.

This thesis is concerned with a series of ideas about international development assistance which came to dominate the relations between donor agencies and recipient governments in the 1990s and early 2000s. These focus on the reduction of poverty by enhancing the effectiveness and efficiency of aid, primarily through improving the coordination of donor agency interventions around a country-led poverty reduction strategy. A series of agreements endorsed by a large number of donor governments, international agencies and recipient countries set guidelines and targets which sought to turn the international consensus on the imperatives of reducing global poverty into concrete actions in the early 2000s.

Through an exploration of the dynamics of aid¹ in Rwanda between 1994 and 2004, this thesis highlights the problems of translating this apparent consensus into practice in the face of significant variations within the policies, priorities, agendas and perspectives of the different actors involved in the aid system.

¹ Foreign assistance takes many forms, covering emergency relief, food aid, military support, technical and financial assistance, grants and loans, debt relief, voluntary and state aid. It is provided by states, international agencies, non-governmental organisations (NGOs) and private bodies. It is delivered in different ways, according to a range of rationales, to fulfil a variety of objectives. This study does not address all these forms; rather it concentrates on the official development assistance (ODA) provided by the governments of rich countries through ministries of development cooperation to governments of poor countries (bilateral aid). ODA is defined by the Development Assistance Committee of the Organisation for Economic Cooperation and Development (referred to henceforth as OECD-DAC) as being undertaken by official agencies, aimed at economic development and welfare and provided on concessional financial terms (Cassen 1994: 2).

Aid in Rwanda 1994-2004: The Research Topic

In 2004, the Government of Rwanda (GoR) was dependent upon international development assistance to the tune of almost 50% of its overall budget, and over 80% of its development budget. It was receiving over \$350 million a year in aid from over 30 bilateral and multilateral donors and a wide range of non-governmental organisations. National policies and programmes aimed at promoting economic growth, social welfare and political change were heavily influenced by external actors: foreign technical assistants were bolstering weak internal capacity within government institutions; policy consultants and advisors were flying in and out of Rwanda's capital city, Kigali, to help with the preparation of policy papers and evaluations; a sizable community of expatriate aid workers was present throughout the country. This situation of dependency on external financial and technical resources has contributed to the adherence of the GoR to a dominant set of norms for development, marrying neoliberal economic principles with a concern for human advancement.

Nevertheless, the voice of the Government is very strong within its vision for the development of the country. It is adamant that it is the 'owner' of its development, a position intimately bound up in the recent history of the country. The nature of the GoR, the response of the international community to post-genocide Rwanda, the specific challenges of rebuilding and developing a country devastated by civil war and genocide, and ongoing issues around the stabilisation of the country are all elements within a political discourse which is both proud and independent.

A glance at the policy principles of most of the main donor institutions present in Rwanda demonstrates remarkable similarity in their positions. Reducing poverty is the over-arching objective, and reference to country ownership is standard. Indeed, in their policy discourse there appears to be convergence of donors and the GoR around the global ideas for development mentioned above. A whole series of mechanisms have been put in place over the last few years to address the international concern with aid effectiveness, and donors are increasingly focusing their assistance around the GoR's own development strategies.

However, this thesis demonstrates that there is anything but homogeneity amongst donor agencies in Rwanda, just as there is anything but homogeneity within the GoR. Multiple donors are engaged in Rwanda, yet their composition, policies, instruments and reasons for providing aid have shifted greatly over the last ten years in tune with events in the country and domestically in donor countries. In the aftermath of the genocide, the programmes of some of Rwanda's 'traditional' donors, such as France, Belgium and Switzerland, were profoundly affected. The picture is consequently one of considerable complexity, with donors differing in their views on both the political and technical aspects of providing aid, despite the apparent consensus on the over-arching principles. This reflects diversity in their understanding of the Rwandan state. On the one hand, the achievements of the GoR in establishing social and economic stability in the wake of the genocide have brought it international acclaim; 'new' donors who were not present in Rwanda prior to the genocide, such as the United Kingdom (UK), Sweden and the Netherlands, have taken the lead in supporting the GoR, placing faith in its commitment to lasting peace, stability and socio-economic development. Rwanda has been seen as a testing ground for post-conflict strategies and a model country with regard to poverty-focused development

strategies. On the other hand, concerns abound about the nature of the Government, its true commitment to bringing about deep political reform in Rwanda and its strategic intentions in the Great Lakes region. Even as the country has stabilised, beneath the surface tensions within the Rwandan population remain and unresolved questions about justice, human rights and political freedoms are causing many analysts to predict a return to violence. This alternative perspective is evident within the cautious approach of many donors to providing aid to Rwanda.

In parallel to this diversity amongst donors, the GoR itself responds in different ways to individual donor agencies, in tune with its own perspectives of them and their histories in Rwanda, and on the basis of its own strategic interests.

This thesis seeks to analyse these different perspectives on Rwanda in light of the international consensus on aid effectiveness. It questions the diversity amongst donors and the political factors on both the donor and recipient sides which lie behind the aid relationship. In doing so, it draws on two main bodies of literature. The first of these is the policy material produced by the international agencies and institutions which frames much of development thinking. Vast quantities of background analyses, case studies, policy guidelines and analytical frameworks are produced by international institutions such as the World Bank, the International Monetary Fund (IMF) and the OECD-DAC which feed into the dialogue amongst aid actors about development. These are complemented by policy-oriented research conducted by analysts based within these agencies. In addition, many bilateral donors have considerable research resources at their disposal with in-house policy research teams, national think-tanks and independent consultants adding to this body of literature. This material provides substantial information on the thinking behind development policies and processes, but needs to be treated with caution given that it is deeply embedded in aid systems, is aimed at a particular audience and tends to be subjective. As Crush observes,

the texts of development have always been avowedly strategic and tactical – promoting, licensing and justifying certain interventions and practices, delegitimizing and excluding others... The primary purpose of the development text (like most others) is to convince, to persuade, that this (and not that) is the way the world actually is and ought to be amended. But ideas about development do not arise in a social, institutional or literary vacuum. They are rather assembled within a vast hierarchical apparatus of knowledge production and consumption sometimes known, with metaphorical precision, as the ‘development industry’. (Crush 1995)

Mosse likewise draws attention to the problem of

giving pre-eminence to [policy] texts as representations of discourse. Texts are important, but... they cannot be read at face value without reference to the arguments, interests and divergent points of view that they encode and to which they allude. (Mosse 2005)

This reflects what Yanow terms the “purposive ambiguity” of policy (Yanow 1996) which has the strategic objective of accommodating multiple and conflicting values and meanings across time and place.

In addition to these policy texts, a wide body of more objective, academic literature on development policies and processes is equally drawn upon in this study. This work covers aid theory, aid practice, aid to Africa, and aid to specific countries within Africa.

The second body of literature which underpins this study relates specifically to Rwanda. The genocide of 1994 elicited a great deal of academic interest in a previously relatively understudied country. Since 1994, the causes and consequences of the genocide have been scrutinised from every angle – historical factors, ethnicity, socio-economic structures, political systems, and regional relations. The role of aid and donors is often considered in this literature, given the importance of external factors and actors in Rwanda's history. The most comprehensive academic studies on aid to Rwanda have been conducted by Peter Uvin. *Aiding Violence* (Uvin 1998) provides an in-depth study of how development assistance and the aid system advertently and inadvertently underpinned Rwanda's descent into chaos. Similar themes are also addressed by Scherrer (2002), Storey (1999), Andersen (2000) and Pottier (2002). Subsequent work by Uvin complements the 1998 study, most importantly an article published in 2001 which looks at the way in which the international community has acted in Rwanda since the genocide (Uvin 2001a). Uvin has also been commissioned by various donor agencies to research particular policy-related questions, including on aid conditionality by the OECD-DAC (Baaré, Shearer and Uvin 1999), on justice for the Belgian government (Uvin 2001b), and on civil society for the British (Unsworth and Uvin 2002).

Work on the aftermath of the genocide and the reconstruction of the country has focused particularly on reconciliation and justice, taking in issues of security, stability and governance. More recently, poverty has become a more prominent theme of research on Rwanda. Studies on poverty in Rwanda drawn on in this research include Mutebi, Stone and Thin (2001), Renard and Molenaers (2003), van Leeuwen (2001) and van Hoyweghen (2000).

In addition to this work on aid and poverty in Rwanda, two other sources of information have been equally important to this research. The first of these are the critical reflections on Rwanda's socio-economic and political development emerging from academics and NGOs. The Centre for the Study of the Great Lakes at Antwerp University in Belgium produces an annual study on the Great Lakes which is particularly useful in providing a chronicle of the evolution of post-genocide Rwanda. On Rwanda, influential work has been conducted by Reyntjens (among others) on the political side, and Marysse (among others) on the economic side. Studies produced by international human rights NGOs, such as Human Rights Watch, Amnesty International and the International Crisis Group, are also highly valuable.

The second source is the more policy-oriented material emerging from international donor institutions and consultants. The World Bank and IMF, for example, produce regular in-depth analyses of general macro-economic development in Rwanda, as well as analyses of individual sectors. A considerable amount of material is produced by international consultancy groups, commissioned by donor agencies, on specific aspects of development in Rwanda. Rwanda has been the focus of studies on topics such as post-conflict reconstruction (World Bank 1998), education and poverty (World Bank 2004), and coordination and aid mechanisms (SPA 2002, 2003). Again these analyses have to be treated with some caution. Studies produced by and for particular donor agencies are often seeking to advance particular agendas or are conducted over very short periods of time which can impact upon their academic validity.

This thesis builds on this literature. However, it seeks to complement it by looking beyond the particularities of the Rwandan case to consider wider factors impacting upon how donors act, notably the domestic socio-political environment of donors and their engagement with the international aid agenda.

Research Questions

This research grew out of an interest in the dynamics of the relationship between donors and recipients in aid-dependent countries. I was particularly interested in the extent to which an aid-dependent government, emerging from economic and political crisis, can define its own development agenda when it is supported by multiple donors each with their own ideas and constraints. Rather than starting with a pre-determined agenda, the research question and methodology evolved out of the realities encountered in the field. As the research progressed, the initial idea gradually evolved into a study of the different ways in which donors engage with a country emerging from crisis, and how this relates to international aid agendas, drawing on insights from a range of academic disciplines. Rwanda was chosen as an example through which to explore these ideas. Therefore, the research did not begin with a specific interest in Rwanda *per se*; rather, a period of reflection led to the decision to look at Rwanda as an example. The topic was then refined into an exploration of the intervention of two donor countries in Rwanda over the period 1994 to 2004 with contrasting histories, policies and methods: Belgium and the UK. From a minimal presence prior to 1994, the UK had become one of Rwanda's primary bilateral donors by 1999, providing increasing amounts of aid in the form of direct budget support to the Government. Belgium, on the other hand, has a long history in Central Africa and its aid policy on Rwanda has been profoundly affected by recent events. Rwanda nevertheless remains among Belgium's top recipients of aid, delivered largely through project mechanisms. As such, this thesis builds upon observations made by Uvin about aid in Rwanda since the genocide:

During the years leading up to the genocide, donors adopted what can only be called a policy of voluntary blindness to the politics of prejudice, injustice, exclusion and human rights violations in Rwanda. Development aid basically lived in a well intentioned but separate sphere... Things have changed dramatically since that time. Almost all those now working in Rwanda are aware of the social and political challenges facing the country. (Uvin 2001a)

However,

Since 1994 donors have differed radically in their assessments of basic matters such as the current dynamics of the Rwandan conflict, the nature and intentions of the government, the weight of the past in explaining the present, or the nature of current ethnic, social and economic trends in society. As a result, even if donors have had the same broad aims, they are unable to agree on priorities and policies. (idem)

During the period of fieldwork two new dimensions were added to the research agenda. Firstly, in order to place the British and Belgian interventions into their context, a much broader overview of the spectrum of donors active in Rwanda was required. I therefore built up a profile of the main Organisation for Economic Cooperation and Development (OECD) bilateral donors in the country. Secondly, although the issue of coordination of aid was on the international agenda at the start

of this study, I had not anticipated how topical it would be amongst actors on the ground. Consequently, 'coordination' became a lens through which to explore the areas of consensus and divergence amongst donors and the GoR, how actors engage with each other, and questions of 'ownership' of development processes. It was in the context of coordination activities – meetings, seminars and workshops – that debates amongst individual representatives of donor agencies and the GoR addressed the realities of the new international aid agenda.

The thesis focuses on bilateral aid in particular, that is transfers from government to government. However, given the importance of international institutions like the World Bank, the IMF, various agencies of the United Nations, and the European Union (EU) to the overall aid context in Rwanda, this study also touches upon these multilateral bodies. I do not deal explicitly with aid provided by NGOs or the private sector; however, bilateral aid from many donors is often channelled indirectly through multilateral agencies or NGOs; thus throughout the study the voices of these groups are important. Finally, this research does not look at how 'ownership' is experienced by the local population, nor at participatory processes. It concentrates on policy-making and aid organisation at the macro-level and input level, focusing on core GoR ministries, main bilateral donor head offices and their representations on the ground. It does not measure outcomes, practice or results.

The complexity of the relationships between aid actors in Rwanda raises a series of questions about the new aid agenda, and particularly how 'ownership' of development processes by the recipient government is affected by the different positions of donor agencies, despite these donors professing similar objectives for aid. In the ensuing chapters, a series of questions are addressed. What are the development policy priorities of the GoR and to what extent are these framed by the situation of external dependency? What does 'ownership' mean in such a situation? What explanations can be advanced for the differences between donor approaches in Rwanda and how have these evolved in tune with shifts in thinking at the international level? How do donors translate their global commitments on aid into practice in a country like Rwanda? What does this mean for 'ownership' by the GoR of development processes? How do the GoR and donors interact in practice? What lessons emerge from the Rwandan situation of relevance to broader development theory?

The conclusions of the study would suggest that the starting point for an effective agenda for development should not be a search for global consensus, but rather a better understanding on the ground about the constraints and perspectives of the various actors from which a more country-led strategy can be devised.

The Language of Development

From the outset, this study is caught up in the complexity of the highly value-laden, normative terminology of development. 'Development' itself is a contested term, embedded in the social and political world which created it. It carries a series of assumptions about the world system. What can be considered right and wrong, good and bad about a given donor programme depends on a specific interpretation of what development and aid are intended to achieve. Although alternative views exist on priorities and modalities, the term 'development' is imbued with particular values of Western culture and generally equates to 'developmentalism' – the teleological process of transforming a traditional society into a modern nation state which

performs certain functions in line with Western, or more recently what are considered to be ‘global’, values (see Crush 1995; Rist 2002; Quarles van Ufford and Giri 2003; Boas and McNeill 2004). Development is often seen in terms of an imposition on weaker countries of the worldview of dominant nations, with aid as a tool of that process. Nevertheless, it is important to recognise that many elites from developing countries also subscribe to this worldview, have played a role in forming it, and gain from it. Consequently, they should not be considered as external to this process or as passive victims.

The concepts of ownership, coordination, alignment and partnership which form the bedrock of the aid agenda explored in this thesis hold specific meanings for the actors within the ‘world’ which I am investigating. To take one example, ‘ownership’ in the world of aid holds particular meanings about control and power, about possession, and about interactions; and it does not translate easily. In Rwanda, the term ‘ownership’ is used with remarkable frequency by donor, government and civil society actors. Two main European languages are used in interactions between these actors, English and French. The *Oxford English Dictionary* defines ownership as “the fact or state of being an owner; proprietorship, dominion; legal right of possession.”² This implies something inherent, something one ‘has’. The French word used for ownership is *appropriation*. The *Petit Robert* defines this term as the action of making something one’s own. This carries connotations of a zero-sum game; taking possession of something which then is no longer the possession of someone else. Interestingly, the synonyms given lead from acquisition to occupation, seizure, conquest and usurpation (Petit Robert 1990). I asked one informant, a high level Rwandan official very involved in debates on aid, what ‘ownership’ would be in Rwanda’s local language, Kinyarwanda. There did not seem to be an obvious answer as he had to think for some time before proposing two possibilities: *kubigira ibyawe* which carries connotations of something which comes from yourself – an internal original idea – but also implies there are external ideas which you see as a benefit which you can take and make yours. The other possibility was *kwigana* which means copying from somewhere else.³

The translation question is only one aspect of the complex world of development discourse and arguably one which has rarely been studied. Academic analyses of this question tend not to focus on whether there is linguistic comprehension of the words employed; rather they focus on the metaphors and meanings of the language of development, the power struggles masked within them, and the political worlds in which these ideas are embedded. For example, Mosse considers the metaphorical language of development to be deliberately confusing:

Policy discourse generates mobilising metaphors (‘participation’, ‘partnership’, ‘governance’) whose vagueness, ambiguity and lack of conceptual precision is *required* to conceal ideological differences so as to allow compromise and the enrolment of different interests, to distribute agency and to multiply the criteria of success within project systems. (Mosse 2005)⁴

² An additional definition is given, namely “the fact or state of being or feeling responsible for solving a problem, addressing an issue, etc.” This seems to equate much more with the ‘international’ sense of the term.

³ Interview, Director of the Strategic Planning and Poverty Monitoring Department (SPPMD), Ministry of Finance, Kigali, 11 October 2004

⁴ On this, see also Yanow (1996), Crush (1995a), Boas and McNeill (2004).

A final point on this is the tendency within literature on aid and development to use the term ‘donors’ as a generic group (just as there is a tendency to talk of ‘recipients’ as a generic group). The actors in the aid relationship are often split into two groups – on the one side the donors (those who give the money) and on the other the recipients (those who receive and benefit from it). As we shall see in chapter 2, the word ‘partners’ is now considered preferable. Rarely is there sufficient explanation given about who exactly these terms refer to. In grouping ‘donors’ together in this fashion, homogeneity is ascribed to what is in fact a very disparate set of individual agencies and institutions, each with its own mind-set and prerogatives. Within each of these there is also substantial variation. A similar problem occurs in the use of the term ‘donor community’ or ‘international community’. The word ‘community’ implies commonality of perspective which, as this thesis shows, is far from the case.

This study falls into its own trap with regard to the terminology used – the following chapters are replete with the problematic language of development. It is hard to get away from this, and I do not attempt to; but it is important to bear this bias in mind.

Fieldwork and Methodological Questions

Three main research methods were employed to gather data for this study: policy analysis and archival work; semi-structured interviews; and participant observation. Primary data were collected during fieldwork in the UK, Belgium and Rwanda between June 2003 and December 2004. Feedback seminars in the three countries of study were conducted towards the end of the fieldwork period which provided additional reflection. This combination of research methods allowed alternative angles to be explored, but each threw up its particular challenges.

Policy analysis and archival work focused on public policy documents produced by donors active in Rwanda. These included official policy papers on general aid strategies, country strategy papers on Rwanda, project and programme overviews, evaluations, and website presentations of country information. Much of this information was available on public websites; however, more specific information on the Rwanda programmes tended to become available only through contacts in the agencies. On the side of the GoR, I analysed the main policy papers on economic and social policy - on macro-economic development, governance, education and health.⁵ While some of these were available electronically, many were only accessible from ministries in Rwanda, particularly older documents. Obtaining consistent records of meetings was problematic, with archiving of recent documents generally weak across agencies in the country. The British Department for International Development (DFID) office in Rwanda only held documents back to 2001, for example. Very little had been archived in Belgium’s Directorate-General for Development Cooperation (DGCD) since the late 1990s; so access was patchy. In Rwanda, there are very few libraries or centres housing official documentation. Many documents dating further back than 2000 were only obtained through persistent requests to officials. It took two months to gain entry to the United Nations’ documentation centre which was

⁵ Many of the policy documents quoted in this thesis are written in French. Where direct quotes have been used, these have been translated into English by myself and marked ‘translated from French’.

officially closed for lack of funding. The difficulty I experienced in accessing this documentation raised broader questions about the knowledge of agency actors with regard to the very recent history of policy processes in Rwanda, of consultancy work conducted, reports written and evaluations carried out.

Three main blocs of time were spent in Rwanda: September to December 2003; February to May 2004; and September to October 2004.⁶ Short trips were made to Brussels and London before the first trip to Rwanda and between each visit. Organising the fieldwork in this way allowed time for reflection and for questions to be taken backwards and forwards between each field site. It also had two important benefits. Firstly, I was able to follow events in all the countries over a period of time, allowing me to observe the evolution of debates on poverty reduction and aid coordination from one year to the next. It also permitted me to observe how events impacted upon debates and relationships. For example, the first trip to Belgium in June 2003 fell shortly after general elections which saw the ousting of the Green Party from government, and consequently the Green Development Cooperation Minister. Development policies were in temporary limbo, and much debate revolved around the possible devolution of development assistance to Belgium's federal government bodies. Interviews conducted at this time were strongly affected by these circumstances. A year later, with a new Minister and policy in place, debates had changed. In Rwanda, the first phase of fieldwork started between presidential and parliamentary elections in August and September 2003. Relations between donors and the government were coloured by the election process; a year later different issues were on the table.

These examples highlight the difficulty of conducting research in a rapidly changing policy environment. The fieldwork findings, particularly interviews, reflect events happening in a particular context at a given moment in time. Moreover, on the donor side field staff change frequently, although this was more the case for the UK than for Belgian officials. There were also significant changes within Rwandan ministries. The narratives of the individuals interviewed are obviously coloured by their personal experiences, their knowledge of the Rwandan context and their personal views.

Secondly, an unanticipated consequence of splitting the fieldwork trips was that many research relationships were substantially strengthened. A total of just over eight months was spent in Rwanda. I believe that had I spent one long bloc of time in Rwanda I would have gained much more limited access to a number of people who became key informants. The majority of interviewees were senior civil servants, politicians, and senior representatives of donor agencies in important positions, often with very limited time to spare for an independent, student researcher. Many of these people accorded me a formal interview during my first trip; it is not likely that much time would have been found for a second such interview within one eight month period. However, because I went away and returned after a couple of months each time, I found that many informants were glad to see me again, were curious about my

⁶ During this visit, I also conducted some separate, although complementary, research for a DFID-funded research project into post-basic education and training (see www.cas.ed.ac.uk/research). On the basis of this research project, I was commissioned by DFID through the consultancy group the Centre for British Teachers (CfBT) to undertake a short piece of consultancy work in Rwanda. The fieldwork for this consultancy was undertaken during two weeks in December 2004. Consequently, during my final visits to Rwanda, my identity as a researcher was slightly different.

progress, and were interested in talking about recent developments on their side. I therefore was able to interview a number of people on several occasions. While this allowed relationships of trust to be deepened, these interactions became increasingly informal – often moving from the office to a restaurant setting. This made note-taking difficult; so later interviews rely heavily on fieldwork diaries in which I recall discussions after the event.

The analysis of policy discourse was complemented by over 300 qualitative interviews, which permitted me to gain insights into issues behind the policies – the process, compromises and politics. These interviews were mainly with policy makers, programme staff and officials within ministries of all three countries, but alternative perspectives were sought from politicians, representatives of NGOs, technical assistants, consultants and development analysts (see Appendix 1). Interviewing such elites⁷ presents its own challenges in terms of access, power relations, sensitivity of material, and establishing the ‘truth’ from often very subjective accounts (see Richards 1996; Lilleker 2003). Particularly important is the question of recording and referencing this material. While a tape recorder was used on occasion, generally I relied solely on note-taking in interviews. Interviewees sometimes specifically said that information was off-the-record. These remarks are often “more important than anything previously said... These are the gems that often given an argument kudos and credibility” (Lilleker 2003). I would feel obliged to stop writing, relying on memory to record such remarks later. In order to ensure the anonymity of informants, I have rarely attributed remarks to named individuals in this thesis.

Moreover, in Rwanda, and to a lesser extent in Belgium, there were additional challenges around culture, language and behaviour specific to conducting elite interviews outside my own (British) cultural context. A major advantage was my ability to carry out interviews in both French and English, which facilitated access to a wide range of informants. In Rwanda, Anglophone informants were sometimes suspicious of Francophone researchers, so being British was an advantage; at the same time many of my Francophone informants were set at ease by my comfort with the language. Given that all interviewees were fluent in English, French or both, no interviews were conducted in Kinyarwanda or Dutch; however, my interest in attempting to learn at least a few words of Kinyarwanda was seen by some Rwandan informants as a sign that I was different to many foreigners working in the country. In Belgium, Dutch-speaking informants tended to prefer to speak English rather than French.

Initial contacts with donor agencies and international NGOs were made by simply contacting the offices in the country, and I then relied greatly on ‘snowballing’. The policy constituency and the aid sector in Rwanda are both small; once I had established good relations with a number of key informants, I was continuously passed on to other people. I was also often put in touch with former or retired staff with whom I conducted face-to-face or telephone interviews where possible. This allowed greater insight into the more historical aspects of the study. While such snowballing can allow some bias to enter the research in terms of who I was directed

⁷ Lilleker defines ‘elites’ as “those with close proximity to power or policymaking; the category would include all elected representatives, executive officers of organisations and senior state employees” (Lilleker 2003).

towards and who not, my wide-ranging contacts in a variety of agencies and ministries led to a fairly comprehensive sample.

These interviews were all semi-structured. The most structured were a series of initial investigations into the policies of all the main donors in Rwanda (see chapter 3) for which I relied on a more uniform questionnaire to allow comparison between programmes (see Appendix 2). Although all the other interviews had a specific focus, I was more interested to hear individual narratives than gather particular responses.

To complement one-to-one interviews, and to understand the interaction between actors in practice, I attended a number of conferences and seminars on donor-funded government activities in Rwanda. These forums, aimed at presenting new policy papers, evaluating projects and consulting on programmes, involve policy-makers, representatives of Rwandan civil society, donors and international NGOs. These events offered a prime opportunity to observe the public discourse and the questions being asked, to meet new and established informants, and to hold informal conversations with participants. Ethically, questions could be raised about my access to these forums. I rarely sought official permission to attend but my presence was generally not questioned even after my face was well-known. A great part of this was my profile. As a young, white, smartly dressed woman, clearly from a donor country, I was not out of place attending such events. This profile was also an advantage in gaining access to policy-makers in the GoR, although I was careful to stress that I had no official connection to any donor agency, except when specifically contracted (see footnote 5 above). In addition to these large forums, I was also permitted to observe a number of smaller ‘coordination’ meetings organised by donors or the GoR to observe coordination in practice (see chapter 4).

A final valuable research method was the holding of mid-term feedback workshops. These were conducted at the end of the fieldwork period - in September 2004 in Kigali and November 2004 in Brussels and London – and represented an opportunity for me to provide many of my informants with preliminary findings from my research; and to solicit their feedback and further input. These helped me to begin to formulate my ideas, to ‘give something back’ to those who had given up a huge amount of time for me, and to get clarifications.

The material gathered in the course of this fieldwork is not without its biases and problems, not least the question of whose voices remained unheard. However, the combination of techniques used and the range of narratives gathered allowed a comprehensive picture to be built up of interactions amongst actors involved in aid policy and provision in Rwanda in 2003 and 2004. This provided ample material to complement available academic and policy literature.

Thesis Structure

Chapter 2 gives an overview of the current debates on development policy and practice in which the questions of this thesis are located. This concentrates on the dominant themes of the 1990s and 2000s emerging from the main donor agencies around poverty reduction and aid efficiency. Chapters 3 and 4 provide an overview of aid in Rwanda in 2003 and 2004: chapter 3 gives an introduction to the different bilateral donors active in Rwanda and provides a comparative analysis of their

positions and policies. This acts as a background to chapter 4 which outlines the ways in which these donors came together with the GoR around coordination activities in 2003 and 2004. I then go on to explore three areas in more depth which emerge from this overview in light of the broader aid agenda. Chapter 5 explores the history of aid relations in Rwanda between 1994 and 2004, looking at aid flows, the political context and mechanisms to improve dialogue between aid actors. This history frames both relations between donors and the GoR and the application of the new aid agenda in Rwanda. Chapter 6 then considers factors internal to the GoR, namely the policy position of the GoR and its engagement with the international poverty reduction agenda, how its development strategy has evolved in light of internal and regional political imperatives and dependency on external support, and how it presents itself to both internal and external audiences. This provides some explanation for the reactions from donors to particular policy decisions. Chapter 7 takes a deeper look at issues on the donor side by exploring the positions of two bilateral donors, the UK and Belgium, in comparative perspective. These different elements are then brought together in chapter 8 in a reflection on the new aid principles and what we can learn from the Rwandan experience of specific relevance to Rwanda and to broader aid debates.

Coordination and Ownership: The Aid Agenda of the 1990s and 2000s

Introduction

The effectiveness of aid has been a topic of debate amongst development theorists, policy-makers and practitioners since overseas development assistance from rich to less well-off countries became an established part of international relations in the 1950s and 1960s. The aid system has been explored from a great many angles, across many academic disciplines, and on a regular basis new ideas emerge which have a profound impact upon the delivery of aid. In its relatively short history, theories underpinning aid have shifted continuously, driven in part by a political constituency in search of quick wins and easy answers. Much of the thinking about aid theory emerges from international organisations, such as the World Bank, the United Nations and the OECD-DAC as well as national research bodies and think-tanks associated with individual governments which provide intellectual input and critiques of development aid. Hence, theories on aid policy and practice are often intricately tied up with the political agendas of governing elites at any given time. At the same time, there is a great deal of continuity in aid theory and policy. Many of the early development theories formulated in the 1940s and 1950s continue to prevail in modified form today. New ideas have rarely completely overturned old ones; rather there has been a process of knowledge accumulation, where the weaknesses of previous paradigms are addressed within new frameworks. Dominant positions lie alongside alternative perspectives, interacting with them, rejecting or absorbing ideas in tune with political prerogatives.

This chapter provides an introduction to the theories underpinning the way in which aid is delivered in Rwanda. It does not seek to provide a history of aid, nor to untangle the complex web of topics related to aid and development theory. Although theories around foreign aid are inextricably linked to development theory and practice, they are not necessarily the same. There is a difference between the actions to be undertaken and the money to fund them. For example, the development concept may be 'poverty reduction' but the associated aid instrument would be the 'poverty reduction support credit' or 'poverty reduction budget support'. The discussions in this chapter refer to *aid* theory rather than broader *development* theory. The objective is to provide a background to the assumptions and concerns around aid which emerge from this study of policy and delivery of aid to Rwanda. These reflect shifts during the 1990s and early 2000s in which international debates, aid agency policy and increasingly developing country rhetoric took on board a new range of theoretical and conceptual ideas. The concern with addressing poverty has focused international attention on the need not only to increase the amounts of aid flowing to the poorest countries of the world, but also to ensure that better use is made of that aid through improved coordination amongst actors and through country 'ownership' of development policies and programmes. This likewise ties in with concerns about aid efficiency, transparency, accountability and the principle of national sovereignty.

The first section outlines the new principles of aid which encompass the poverty reduction agenda, programme aid and budget support, questions of ownership and conditionality, as well as coordination and harmonisation. The following sections then tease apart these various elements. In the final chapter of this thesis these core ideas are revisited in light of the empirical evidence from Rwanda.

The New Principles of Aid in the 1990s and 2000s

In 1989 the World Bank published a policy paper entitled *Poverty, Adjustment and Growth in Africa* (World Bank 1989); its *World Development Report* in 1990 was simply subtitled *Poverty* (World Bank 1990). This heralded a new era in development thinking among international agencies, with a return to the agenda of poverty as an explicit focus of international cooperation. This is not to say that poverty had been absent from development strategies; arguably it has been the underlying rationale of development assistance since the 1950s, but it has often been subsumed within other goals, notably economic growth and institutional reform. The negative social outcomes of the structural adjustment era of the 1980s and the changing geo-political climate of the early 1990s with the end of the Cold War brought poverty, and more broadly speaking human and social development, back to the fore within the policies of the international financial institutions (IFIs) and the main multilateral and bilateral agencies. There were also calls for improved effectiveness of development assistance in an atmosphere of declining aid volumes and concerns about the impact of aid. The early 1990s saw a reduction in aid in light of fiscal pressures in donor countries, especially to Africa, at the same time as new areas of focus emerged. Substantial funding was diverted to the countries of Central and Eastern Europe and in response to the financial crisis in Asia. This led some analysts to consider that the future of aid itself was in question as the 21st century approached (see for example Lancaster 1999; van de Walle 1999). At the same time, new principles and priorities began to surface, such as democratisation, human rights and social well-being, which led others to see a continuing role for aid (see for example Riddell 1999).

Ensuing debates in the international institutions and the OECD-DAC, as well as a series of global summits and conferences on themes such as education, gender and sustainable development brought a range of concepts back onto the table, including coordination, coherence and programme aid. It is important to stress the word ‘back’ here, as none of these ideas are new. The history of development assistance is replete with these ideas, the question being one of priority at any given time as well as conceptualisation. By 2000 this process had consolidated itself into what could be termed a dominant new aid agenda aimed at the reduction of poverty.¹

¹ Since 1990 an array of terms has been used with regard to poverty, all carrying different nuances, such as poverty alleviation, poverty eradication, poverty elimination and poverty reduction. There have also been debates around what poverty means and concepts such as moving in and out of poverty. For a good discussion of the shift from poverty alleviation to poverty eradication see Mafeje (2001). This shifting terminology is also captured within successive DFID publications (see DFID 1997, DFID 2000). Given the MDG focus on poverty ‘reduction’, this is the term employed mostly in this thesis to cover the overall poverty-focused agenda.

This agenda is multi-dimensional and very complex. At the heart of it lies the concern, first captured in modernisation theory of the 1950s, with boosting economic growth in low income countries in the name of ‘development’ and of integrating these countries into the global economy through the liberalisation of markets. Alternative theories have been advanced over the decades, from dependency theory to the New International Economic Order and post-colonial theories captured under post-development theory. Nevertheless, the core of modernisation theory, that is the importance of liberal values and the free market, continues to dominate the economic thinking emerging from the multilateral institutions and many bilateral agencies, boosted by the collapse of communism. However, the 1990s saw an addition to this agenda of a wide array of social and political concerns,² arising from the negative consequences of four decades of ‘development’ – persistent inequalities between and within low income countries, weak social infrastructure and rising poverty levels, political crises and conflict (particularly in Africa), environmental degradation, and gender imbalances. During the second half of the 1990s, debates within the OECD-DAC, in turn reflecting a series of global conferences held in the late 1980s and early 1990s,³ consolidated these new concerns into a set of quantifiable targets for international development cooperation (see OECD-DAC 1996; King and McGrath 2004: 22-24). These targets provided the background to the Millennium Declaration adopted by the United Nations General Assembly in 2000 (UN 2000b) and the subsequent establishment of the Millennium Development Goals (MDGs). These laid down an agenda for action to reduce poverty substantially by the year 2015, representing a consensus about development without precedent.

The adoption of the MDGs, together with pressure from civil society groups in the late 1990s to focus attention on poverty, debt relief and fairer international trade rules, brought about a reversal in the diminishing aid budgets. In 2002, at the International Conference on Financing for Development at which the Monterrey Consensus was agreed, pledges were made by donor agencies to boost flows of aid and debt relief to the poorest countries (Monterrey Consensus 2002). This coincided with pledges of support for the latest African development plan, the New Partnership for Africa’s Development (NEPAD), which in many respects closely resonates with the global development agenda (see Hayman, King and McGrath 2003). Subsequent meetings of the G8 group of nations have continued this focus on Africa, notably in Kananaskis (Canada) in 2002 and Gleneagles (UK) in 2005. 2005 also saw the publishing of a report by the Commission for Africa, established by UK Prime Minister Tony Blair and involving a number of high profile Africans, which called for the doubling of aid to Africa (Commission for Africa 2005).⁴

² Nelson and Eglinton (1993) talk about this in terms of a shift from a ‘narrowed donor agenda’ to a ‘broadened global agenda’.

³ These included the 1990 Jomtien Conference on Education for All, the 1992 ‘Earth’ Summit held in Rio, the 1994 Cairo conference on Population and Development, and the 1995 Beijing summit on Gender.

⁴ It should be noted, however, that despite the pledges made at these various summits, real change in terms of aid flows has been less than spectacular. In the run-up to the September 2005 summit of the United Nations aimed at providing a progress report on the attainment of the MDGs, background reports admitted that without a considerable increase in resources the Goals were unlikely to be reached. While aid flows are focusing more on Africa and least developed countries, since Monterrey there have not been significant increases in resources and, indeed, flows continue to lag behind amounts of the early 1990s (see World Bank 2005, chapter 5). In light of this, the pledges made

The desire for improved effectiveness of development assistance inherent in the new agenda added several new, interlinked elements to the framework. First of these was the concern to embed development strategies in local processes, both state and society. This represented a marked shift in thinking from the normative, externally-imposed structural adjustment programmes of the 1980s, and was an attempt to counteract perceptions that aid was inefficient due to a lack of responsibility on the part of the recipient.⁵ The concept of ‘ownership’ consequently became a watchword of development in the 1990s. This called for development programmes to emerge from local processes, reflecting local contextual factors and needs. For the heavily indebted poor countries (HIPC), access to debt relief and aid resources became dependent upon the preparation of national poverty reduction strategies (PRS). As these were to be prepared through participatory processes with the population, this also linked into concerns for democratisation and public participation in policy-making processes in order to render governments more accountable to the people. This added a much more explicit political dimension to aid, captured under the rubric of ‘governance’. This concept has been analysed by a variety of authors, concentrating on the two areas of institutional governance and political governance. Stokke gives ‘narrow’ and ‘broad’ definitions of governance with narrow focusing on institutional development and administration management and broad covering openness, accountability and transparency of government institutions (Stokke 1995: 23; Crawford 2001).⁶

In relation to this question of local ‘ownership’, another concern which emerged was that of aid coordination and coherence on the grounds that aid effectiveness would be enhanced by donors agreeing to support a recipient’s own country development strategy. This entailed a move towards joint responsibility for aid outcomes (OECD-DAC 1996: 14). Following on from the Monterrey Consensus of 2002, a commitment to improve coordination, harmonisation and alignment was made in Rome in 2003 (Rome Declaration 2003), reiterated in Paris in 2005 (Paris Declaration 2005). Important within this is the recognition that recipient commitment is not sufficient; it must be complemented by a commitment on the part of donors to reform collectively their approach to aid. A final factor is the re-emergence of programme aid as a primary instrument of foreign assistance, and the revisiting of conditionality in conjunction with this.

Several authors have reflected on whether the principles outlined here represent a new paradigm in the history of aid theory, notably focused around the MDGs. For example, Maxwell (2005) outlines what he calls the “meta-narrative” which emphasises the MDGs “as an over-arching framework.” The paradigm represents a compromise between the Washington and the post-Washington consensus, that is “marrying openness and a market-oriented approach” with “an emphasis on institutions and human capital.” There is a clear link between poverty reduction strategies, macro-economic policy, effective public expenditure management and

throughout 2005, while important, need to be treated with caution (see *The Independent*, ‘Have we made poverty history?’, 27 December 2005).

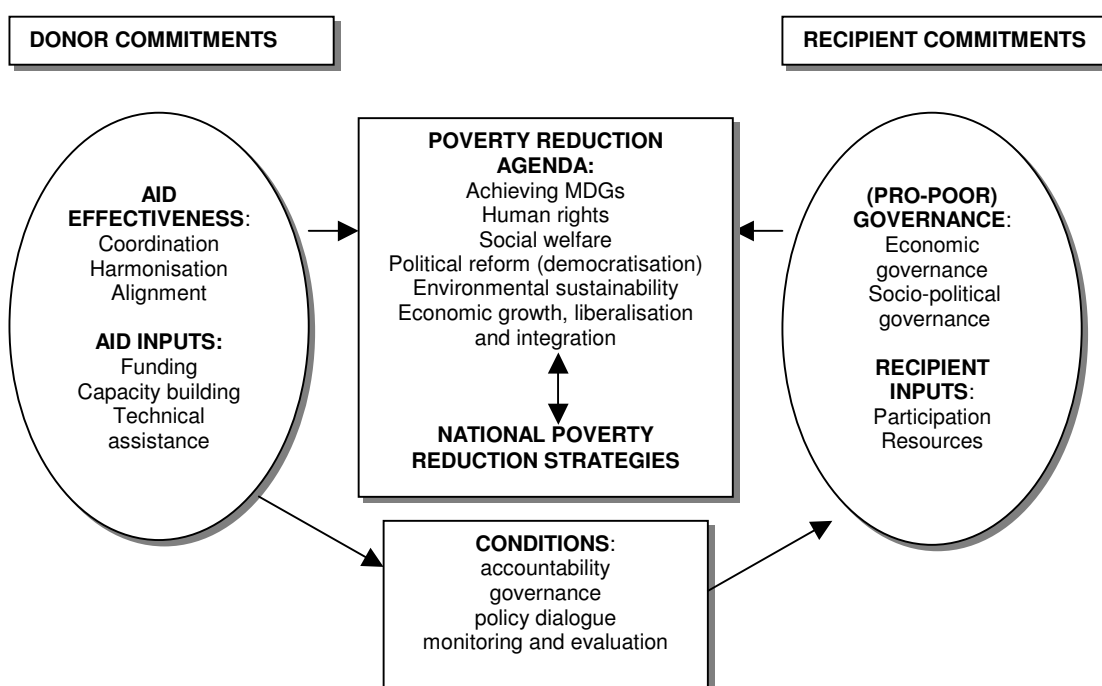
⁵ The term ‘recipient’ has gone largely out of favour in development discourse, with most literature referring rather to ‘partners’. I continue to use the word recipient in this thesis as a way of distinguishing between the givers of aid (donors) and the beneficiaries of aid (recipients). As we shall see below, the term ‘partnership’ is problematic.

⁶ See also Burnell (1997), Masujima (2004) and Taylor (2004). On pro-poor governance see Braathen and Palmero (2001).

harmonised aid. This ‘meta-narrative’ also takes on board the more recent concerns with security and poorly-performing states. For Rogerson, Hewitt and Waldenberg (2004), there are several elements to the “leading paradigm of aid” which include a compact on ownership and aid effectiveness, a focus on the MDGs as a guideline for country priorities, partnership approaches, streamlined conditionality and performance-based allocations of aid. Renard (2005) also considers a new aid paradigm to have emerged with the MDGs representing universal goals and values, and the PRSPs as the instrument for achieving them at the country level. This has supplanted older paradigms such as the project approach and structural adjustment policies. Important within this is the extent to which donor agencies have taken on board this agenda.

Figure 2.1 seeks to capture the various elements of the new principles. It shows that if the recipient can demonstrate its commitment to a poverty reduction strategy through sound economic management and good socio-political governance, then donors will commit to supporting it. However, this requires that the poverty reduction strategy meets donors’ own accountability requirements, hence the provision of capacity building and technical assistance from the donor in addition to, or as elements of, aid to support the preparation and implementation of this strategy. To ensure the best use of donor resources and provide accountability, conditions applied to aid include economic and socio-political governance, policy dialogue and effective monitoring and evaluation systems. For their part, donors commit themselves to better working practices to improve aid effectiveness in the form of coordination, harmonisation and alignment.

Figure 2.1 Aid Architecture of the 1990s-2000s



To illustrate the way in which this agenda has been adopted, the UK’s policy paper published in March 2005 provides a good example. Entitled *Partnerships for poverty reduction: rethinking conditionality*, this paper lays out “the UK

Government's position on effective aid partnerships" (DFID 2005a: 4) stating that UK aid is to be based on five principles, summarized as follows:

- developing country ownership, by supporting nationally owned poverty reduction plans which take account of the views and concerns of poor people;
- participatory and evidence-based policy making, including supporting the involvement of national parliaments in the policy-making process;
- predictability, through more advance notice of aid amounts and reasons for reducing or stopping flows;
- harmonization, reducing overall burdens on developing countries by drawing conditions from a country's own strategy and coordinating more with other donors;
- transparency and accountability, around the decision-making process on issues like conditions.

Furthermore, an "effective aid partnership should be based on a shared commitment to three objectives": reducing poverty and achieving the MDGs; respecting human rights and other international obligations; and strengthening financial management and accountability as well as reducing the risk of funds being misused through weak administration or corruption (idem: 1). The resonance with the agenda outlined above is evident within the prioritisation and the terminology employed.⁷

At the same time, it is important to recognise that elements of this agenda, building on similar principles and language, are also being pushed by African scholars and political leaders who are calling for Africans to take control of their own agendas by building on their internal strengths, traditions and principles of self-reliance adapted to a continent which is intricately entwined in the global economy (see, for example, Kifle, Olukoshi and Wohlgemuth 1997; Cliffe 2002). This demonstrates that it is not merely an externally imposed agenda, but one which also resonates with thinkers in Africa. On the policy level, this is most clearly captured in the revitalised African Union, the New Partnership for Africa's Development (NEPAD) and the Commission for Africa (see Hayman *et al.* 2003; Commission for Africa 2005).⁸

A final point before moving on to a more in-depth reflection on four core areas of the new agenda – programme aid, coordination, conditionality, and partnership and ownership – is the degree to which the new aid principles have brought about a shift in the rationale for providing aid. Lancaster outlines five main rationales behind the provision of aid: promotion of development; diplomatic, that is as a tool of foreign policy; commercial; cultural; and humanitarian, in particular as a response to human and natural disasters (Lancaster 1999). Other analysts classify the rationales for giving aid according to theories from the 'right' and the 'left' (see Riddell 1987; Thérien 2002; Degnbol-Martinussen and Engberg-Pedersen 2003). These rationales are more or less present throughout the history of aid, with individual donor agencies privileging certain aspects over others. For example, aid from the Scandinavian countries has generally been associated with "humane internationalism" (Forster and Stokke 1999); the French have traditionally linked aid to the promotion of specific

⁷ As this policy paper brings together many of the new ideas about aid policy and practice in the 2000s, it is referred to throughout this chapter.

⁸ A great deal has been written on NEPAD, an overview of which is provided in Hayman *et al.* (2003). See also Bond (2002), Abrahamsen (2004) and Taylor (2005b).

cultural values; the USA and the UK have been more prone to promoting diplomatic objectives, although since 1997 the UK position has shifted to a more 'moral' rationale. In parallel, the concept of 'development' has also shifted, from promoting growth to human development, from economic reform to governance, and from poverty reduction to security concerns. The current aid principles are imbued with two clear rationales: moral imperative and strategic self-interest (Forster and Stokke 1999). The moral imperative inherent in the new agenda is that of helping the poorest, but there is also strategic self-interest in terms of economic growth and access to markets, and increasingly in the 2000s the international security agenda has come into play, with self-interest in terms of addressing migration, disease, drug trafficking, the environment, international criminal networks, terrorism and insecurity also lying behind the provision of aid:

Why should the rich world bother? For a start, out of self-interest. A stable and growing Africa will provide a market of several hundred million people... It will also provide a stable source of supplies... By contrast, if Africa persists in a state of insecurity and economic stagnation that will not just be bad for Africans, it will be bad for the rest of the world. It will lead to still more powerful pressures for migration... it will also be a source of disease for the world as a whole... an Africa with failing states and deep resentment can become a source of conflict which is not only internal but spreads across continents in international terrorism and crime. (Commission for Africa 2005: 65-66)

Programme Aid and Budget Support

Integral to the poverty reduction approach, as well as aid effectiveness debates, has been the re-emergence of programme aid as an instrument of development assistance. 'Programme aid' is "aid that is not intended to finance a specific project" (White and Dijkstra 2001: 17) and is generally "linked to the implementation of policy reform in the recipient, that is, it is policy-based aid or subject to conditionality" (idem). As such, it is distinct from project support. Programme aid covers a range of instruments: debt relief, import support, balance of payments support, as well as budget support.

Since the 1960s the various instruments which make up programme aid have fallen in and out of favour amongst donors in an almost cyclical pattern. In the post-colonial period in Africa of the 1960s and 1970s, programme aid was used to support capital investments, through import support, and to shore up weak governments (van de Walle 2001). It also allowed for highly visible investments and the transfer of technology of interest to the former colonial powers (Mosley and Eeckhout 2000). This aid was largely unconditional. However, a lack of progress gave rise to project aid in the 1970s, which, according to van de Walle (2001), worked increasingly outside government systems, thus further weakening their capacity. Projects, however, proved unsustainable and prone to moral hazard. Within the IFIs in particular, it was felt that project assistance was having little impact given the weak economic environments of developing countries; absorptive capacity was low and indebted countries needed quick-disbursing aid. It was felt that broader macroeconomic reforms were necessary and that programme aid conditioned upon policy change could bring this about (Mosley and Eeckhout 2000; White and

Dijkstra 2003). Hence, programme aid returned to fashion in the 1980s, this time in the form of assistance for Structural Adjustment Programmes (SAP). This was largely the domain of the IFIs, with bilateral donors preferring to channel their bilateral resources via projects through the non-state sector, mainly NGOs. Structural adjustment assistance was a response to the financial crisis being experienced in many developing countries in the late 1970s and early 1980s and spiralling debt, paralleling a shift in the dominant development theory from structuralism to neo-liberalism.

The 1990s saw another shift in programme aid, this time to combat the problems arising from the SAP of the 1980s. The ‘new’ programme aid of the 1990s was linked to debt relief under the HIPC initiative and increasingly revolved around the poverty reduction agenda with new instruments and strategies adopted, namely sector programme support, policy dialogue, selectivity and capacity-building (Foster and Leavey 2001; Degnbol-Martinussen and Engberg-Pedersen 2003; Booth and Lawson 2004). Projects still exist, but under the programme approach the aim is to capture them within a coherent policy framework. Programme aid continues to be primarily aimed at promoting economic growth along neo-liberal lines (Degnbol-Martinussen and Engberg-Pedersen 2003; White and Dijkstra 2003); however, “key new features” (Unwin 2004) have been added to these principles, notably the emphasis on partnership, ownership, integrated Poverty Reduction Strategy Papers (PRSPs), macro-economic governance and policy conditionality. Moreover, ‘new’ programme aid is not just the domain of the IFIs (whose structural adjustment programmes of the 1980s have been reformed into the Enhanced Structural Adjustment Facility and the Poverty Reduction Growth Facility), but is increasingly employed by bilateral donors, notably the Scandinavian countries, the Netherlands and more recently the UK.

Of particular importance to this thesis is the increasing interest demonstrated by donor agencies in budget support. Budget support covers a variety of instruments, which have shifted over time and about which confusion still seems to reign. While ‘direct budget support’ encompasses several sub-categories which many donors will use at one time or another (especially debt relief and balance of payments support), ‘general budget support’ is more limited to non-earmarked aid and is employed by fewer donors (see box 2.1). The most fundamental distinction is between funds which are ‘on budget’ (i.e. paid through Government systems) and ‘off budget’ (i.e. paid into separate project accounts or trust funds). In general, most donor agencies in their literature and rhetoric just talk about ‘budget support’ and would appear to be referring to general, rather than direct budget support. The UK is very explicit in linking budget support to poverty reduction strategies.

Settling on one clear definition of budget support is not central to this thesis, but we draw on Booth and Lawson (2004)⁹ to highlight the core components of ‘new’ programme aid:

⁹ Booth and Lawson were commissioned to put together a framework for a joint evaluation of budget support on behalf of the OECD and the EU. This was under preparation for a number of years. Firstly, the ‘evaluability’ of budget support was assessed, then a series of draft frameworks was discussed in various forums aimed at establishing a common framework for evaluating the impact of budget support in a number of countries. Country evaluations began in early 2005, among which Rwanda features. As such, the work by Booth and Lawson is important as it has involved a large range of donor representatives and in-depth discussions about the budget support mechanism. At the time of writing, the country studies have not been made publicly available.

- **funds** to the national budget (general budget support);
- **policy dialogue**, including **conditionality** focused on key public policy and public expenditure issues and processes;
- **technical assistance** and **capacity building** linked to the funds, and focused on key public policy and public expenditure issues and processes;
- efforts to **align** the donor's aid, including policy dialogue and conditionality, with national goals and systems;
- efforts to **harmonise** with other donors, especially in respect of consistency in setting benchmarks, reporting requirements and synchronising missions.

Box 2.1: Programme Aid and Budget Support – Definitional Issues

Foster and Leavey (2001) distinguish between:

- Balance of Payments Support, generally associated with the IFIs and paid directly to the recipient Central Bank with few restrictions.
- General Budget Support, made available to the recipient Government budget and using Government accountability mechanisms with conditions for use attached, notably vis-à-vis policy reform or policy priorities (so sometimes with notional earmarking).
- Debt relief, which may or may not have conditions attached, as with the HIPC initiative which is dependent upon the existence of a participatory poverty reduction process.
- Sectoral budget support, which is disbursed through Government systems but earmarked to a specific sector strategy. Sector earmarked support represents another level down in that aid is earmarked to particular activities within the sector.
- Project aid, using Government systems, parallel systems or disbursed through non-state actors.
- Multilateral aid

Booth and Lawson (2004) distinguish between:

- Direct Budget Support: a generic term covering funds channelled through a partner government's own systems, and including debt relief, debt buy-back, food aid, balance of payments support, adjustment lending, earmarked direct budget support and non-earmarked direct budget support.
- General Budget Support: a sub-category of direct budget support which refers to non-earmarked or notionally-earmarked funds.
- Sector Budget Support: financial aid earmarked to a discrete sector or sectors.

European Commission (from Booth and Lawson 2004: 16):

- General Budget Support (as defined by Booth and Lawson above) is known as Macro-economic Budget Support

UK policy paper on budget support (DFID 2004b):

- refers to Poverty Reduction Budget Support, which it states is also known as Direct Budget Support. This adds a new dimension – the specific provision of budget support for poverty reduction activities.

This demonstrates the extent to which programme aid is more than a mere funding mechanism but incorporates a framework of activities and conditions. Budget support is expected to have a number of benefits, including macro-economic effects (stability, increased social sector spending, promotion of a conducive environment for private investment), the empowerment of the recipient government,¹⁰ enhancing the efficiency of public expenditure, strengthening intra-government incentives and capacities, and having poverty reducing effects in terms of pro-poor growth and

¹⁰ Note that this refers to the empowerment of the *government* not the 'country' or 'people'.

empowerment (Booth and Lawson 2004). Unwin (2004) adds to this list the benefits of predictability and stability through long-term commitments from donors, the reduction in transaction costs through the integration and coordination of donor support, and the space provided for greater dialogue around governance agendas. For the Strategic Partnership with Africa (SPA),¹¹

Budget support instruments can be a particularly effective way of promoting African ownership and development in countries with well-designed poverty reduction strategies and reasonable levels of fiscal accountability... development assistance provided through the budget can lower transaction costs and make assistance more accountable to the democratic political process. (SPA 2002a: 13)

A sub-category of general budget support which is particularly important in the context of this study is 'sector budget support' (SBS), which is delivered through the general budget but earmarked towards a particular sector. In practice there would appear to be two categories of this: direct sector support that is delivered to line ministries or implementing institutions; and 'notionally earmarked' support which transits the central budget but which is intended for a specific sector. SBS is often linked to the sector-wide approach (SWAp) as an instrument of support. The SWAp was introduced as a concept towards the end of the 1980s, allowing donors to concentrate on a few sectors and striking a balance between projects and macro-economic programmes (Degnbol-Martinussen and Engberg-Pedersen 2003: 49). It allows for a combination of approaches, from dialogue on policy and strategy to implementation of discrete projects within a sectoral framework; so it may include both SBS (earmarked through the budget) or off-budget support such as discrete projects or off-budget common baskets oriented towards a specific sector (Booth and Lawson 2004). The SWAp acts as a coordination tool also, and for some carries the intention to shift eventually towards the provision of SBS by gradually bolstering weak sector systems through a range of instruments and conditions to strengthen accountability (Foster and Leavey 2001). As such, the SWAp explicitly recognises that programme aid does not exclude the possibility for projects to continue. Indeed, as Foster and Leavey (2001: 9) observe, "there is no reason in principle why project investments, pilot projects, or technical assistance should not be financed as part of general or sector budget support". What is preferable, however, is that these operate under Government direction and systems.

The rationale for programme aid is that it is considered to be superior in terms of "stronger influence on the policy environment, superior ownership properties [and] greater overall coherence" (Killick 2004). However, there are a number of potential contradictions and problems with this. The first concerns the relationship between budget support and national ownership. Budget support is primarily used in aid-dependent, sub-Saharan African countries, where donors have significant potential for influence (Unwin 2004). Indeed, Foster and Leavey note that budget support can

¹¹ The Strategic Partnership with Africa (SPA) is an informal association of bilateral and multilateral donors, launched in 1987, aimed at supporting and monitoring the implementation of poverty reduction programmes. It has shifted its focus from support to indebted countries to aid effectiveness, notably mainstreaming and implementing the PRS approach, and the promotion of genuine change in donor practices to support PRSPs. It concentrates particularly on aligning donor processes around national poverty reduction strategies, on 'programmatic support' rather than off-budget projects or NGO assistance.

have high costs in terms of negotiating and managing policy agreements where aid dependence is low; there tends to be a lack of consensus on policy within and between the recipient government and the donor community. They suggest that a project approach may be more appropriate under these circumstances, and that it should be up to the recipient Government to decide the form of aid where it has the capacity to do so and where there is policy consensus (Foster and Leavey 2001: 10).¹² This casts considerable doubt on the claim that budget support is a superior instrument for national ownership. As a report of the Norwegian Development Agency observes, where aid dependency is lower “governments might be reluctant to negotiate on policy with donors” (Norad 2004: 4).

This last statement reflects the centrality to the budget support approach of influencing local policy processes. Indeed, budget support comes with several conditions attached, such as an agreed policy framework between donors and the recipient government, a commitment on the part of the recipient to sound public financial management, evidence that budget support has comparative advantage over other instruments, and an agreement on the part of the recipient to accept policy dialogue and technical assistance (Booth and Lawson 2004). The provision of budget support is therefore both conditional upon recipient adherence to good governance and aimed at bolstering recipient governance capacity.

This has raised concerns among a number of analysts. As the UK policy on budget support states, this instrument requires “a measure of trust on all sides” (DFID 2004b: 11), but given that it is largely provided in highly aid-dependent countries, where the governments are often weak, this essentially equates to “an immense leap of faith” (Unwin 2004). Several authors feel that programme aid should only be provided to governments with a proven track record (Killick 1998; Mosley and Eeckhout 2000; White and Dijkstra 2003), and there are concerns that through this instrument, donors risk bolstering or artificially strengthening poorly-performing states (Clapham 1996: 183). This is taken further by Taylor who argues that pumping more money into Africa, and particularly African states, will not have the desired effects until governance issues have been thoroughly addressed. Providing support to the social sectors on the basis of poverty reduction strategies fails to take into account the possibility that many African states are not truly committed to these agendas (Taylor 2005a).

Moreover, in focusing almost exclusively on the provision of support to the state, there is some concern that support via other channels, especially in support of civil society, may diminish, in turn undermining countervailing forces within developing countries. But it also potentially impacts upon the engagement that donors have with the poor people who they are supposed to be helping (Unwin 2004). As Hinton and Groves (2004) observe: “there is increasing evidence that direct budget support may not alter the balance of power in favour of the poor.” Moreover, these authors note that as fewer donor staff travel outside the capital due to changing work requirements, this reduces the possibilities for poor people to engage directly with international actors.

Finally, programme aid is expected to reduce transaction costs for both donors and the recipient government. However, certainly in the early stages as systems are

¹² Note that this is disputed by Cordella and Dell’Ariccia who claim that “program financing is preferable when total aid is small relative to the recipient’s own resources; while project aid results are superior for relatively large programs” (Cordella and Dell’Ariccia 2001).

being established, it would appear that the increased policy dialogue and the conditions attached lead to greater burdens on all parties involved (Mosley and Eeckhout 2000: 142-143), a point recognised by proponents of budget support (Booth and Lawson 2004; DFID 2004b). Killick observes that this is even more the case where there is a mixture of SWAs and budget support, where there is a less than perfect convergence of government and donor objectives, and less than complete trust of the former by the latter. This leads to “the tendency for the development of rather elaborate mechanisms for dialoguing, monitoring, reporting and *ex post* evaluation [which] is apt to impose substantial burdens” (Killick 2004: 22).

Aid Effectiveness: the Coordination, Harmonisation and Alignment agenda

The second core element in the new principles of aid is that of aid effectiveness, and notably debates in the early 2000s around coordination, harmonisation and alignment. The aim was to counter past experiences where the

policies and requirements of donors are usually different from each other and from those of the partner country. This has often led to priorities that are not aligned with country needs, misdirection of efforts, inconsistent systems and programmes, information gaps, avoidable duplication and waste. Donor practices have often served to undermine, rather than bolster the effectiveness of countries’ own systems and institutions. In addition, the sheer numbers of procedures, reports, and visiting missions that partner countries have to handle every year entail severe costs. (OECD-DAC 2005a: 11)

This amalgamated into a global agenda a range of reflections on how to render aid more efficient which had been ongoing since the 1980s (see, for example, Cassen 1994). These reflections have covered a wide range of issues, such as monetary flows between countries, strategic interests versus moral obligations, coherence between agendas in international relations, effectiveness of a range of instruments, actors and activities, etc. Our concern is with particular mechanisms aimed at improving the effectiveness of aid through better coordination amongst actors, on the basis of reflections within international institutions such as the World Bank and the OECD-DAC which have in turn impacted upon the actions of bilateral and multilateral agencies in their country programmes.

In 1989, the OECD-DAC set out its priorities for development cooperation in the 1990s (OECD-DAC 1989). These aimed to address the deficiencies arising from the Structural Adjustment Programmes in the context of a changing global political order. They captured new concerns, including participatory development and aid effectiveness in terms of enhancing coherence between the different objectives and interests of aid actors. Realisation was growing of the negative effects of divergence amongst donors, notably the burden placed upon weak recipient government systems of dealing with a multitude of different donors all with their own procedures, priorities and practices. The OECD-DAC called for greater coordination amongst donors and better dialogue within the multilaterals, but also at bilateral level to work closer with partners. There was an emphasis on the partner country establishing policies and priorities and assuming responsibility for aid coordination. This

represented a first important shift. In the face of weak capacity of many developing country administrations to effectively take a lead, the focus in the 1960s and 1970s was very much on coordination by donors amongst donors, with the United Nations Development Programme (UNDP) playing a central role. By the end of the 1980s, however, this had shifted towards coordination around national planning and budgeting systems, captured in the concept of ‘aid integration’ (Cassen 1994; Degnbol-Martinussen and Engberg-Pedersen 2003: 190-193) with the OECD-DAC calling for the harmonisation and simplification of aid procedures. Ten years later the problems remained fairly similar.

Throughout the 1990s these questions were constantly on the table within the OECD-DAC, for example captured within its 1996 document *Shaping the 21st Century* (OECD-DAC 1996), and towards the end of the 1990s increasingly within the World Bank, for example in the 1998 study *Assessing Aid: What Works, What Doesn't, and Why* (World Bank 1998a). The main emphasis over this period was on the twin concerns of policy coherence and coordination, which the complexity of the poverty agenda demanded, given its intrusion into new social and political areas (Hyden 1999: 72-73). Policy coherence sought to ensure firstly that the range of foreign policy interests of donor countries – diplomacy, trade and aid – was consistent with development objectives, or at least did not come into conflict with them; and secondly to ensure coherence *within* aid policy between channels, actors and objectives.¹³ But it also went a step further to cover not only coherence *within* donor country policies, but also at the international level *between* different donor agencies, and at a recipient level between donor and recipient policies (Forster and Stokke 1999). This was happening as donor agencies were in the process of defining the international development targets mentioned above, and also reflected wider concerns with economic globalisation and the integration of developing country economies into the post-Cold War economic order. Consequently, coordination is closely linked to coherence; indeed, coherence is considered a major factor in improving coordination.

By the early 2000s, the discourse had moved on from coordination and coherence as the momentum accelerated. Since 2002 the emphasis has been firmly placed on ‘alignment’ around country poverty reduction strategies and ‘harmonisation’ of policies and procedures (see box 2.2). This represents a more complicated package of measures; subsequent chapters demonstrate how getting to grips with the terminology has been a task in itself. Three international conferences and agreements formalised the evolution of these ideas, and have become key reference points. The first was the Monterrey Consensus of 2002 in which developing countries committed to improve their policies to stimulate growth, reduce poverty and achieve the MDGs, and developed countries committed to provide more and better aid, as well as improved trade and aid policies (OECD-DAC 2005a). The main emphasis in the Consensus was on mobilising additional financial resources, and with regards to coordination was focused on improving coordination and coherence at the level of the IFIs. But it also laid the basis for the 2003 Rome Declaration on Harmonisation, in which donors committed themselves to harmonising their operational policies, procedures, and practices with partner country systems. The Rome conference also concentrated on country ownership and government leadership. In March 2005,

¹³ Hyden (1999) adds the dimensions of political will and power to debates on coherence in considering consistency between policy intentions and policy outcomes.

representatives of both donor and recipient countries came together to assess progress on meeting the commitments of the Rome Declaration. This resulted in the 2005 Paris Declaration on Aid Effectiveness which called for greater progress on all aspects of aid effectiveness: aid flows, coordination, harmonisation, alignment, ownership, and reforming donor and recipient country practices.

Box 2.2: Unpacking the Rhetoric - Defining Coordination, Harmonisation and Alignment

Coordination is all-encompassing: "A good framework for aid co-ordination will enable leadership by partner governments, simplify working relationships and create flexibility where it is missing. It will also facilitate dialogue between donors and civil society and the private sector in a partner country... A good framework for aid co-ordination spans donor-partner relations, intra-donor relations, and individual donor systems." (OECD-DAC 2003: 18)

Harmonisation refers to donors bringing their operational policies, procedures, and practices into line with each other, and into line with those of the recipient country. It involves greater collaboration between donor agencies to establish and use common arrangements for planning, funding and disbursing aid.

Alignment involves donors bringing their development assistance into line with the priorities and strategies established by the recipient country and progressively relying on recipient countries' own procedural systems.

Source: (OECD-DAC 2003, 2005b)

Since 2003, a great deal of energy has been devoted to developing the concept of harmonisation within the World Bank, the SPA, the OECD-DAC and individual bilateral agencies. Country harmonisation action plans have been prepared, reports on meeting the Rome commitments have been produced, and case studies have been conducted of harmonisation in specific developing countries. The discourse of donor agencies, notably the multilaterals, is now replete with references to this new concept. As we shall see in this study of Rwanda, these global debates have had a profound impact upon cooperation activities within developing countries.

This drive represents a second profound shift in the aid effectiveness debate. The first was that of enhancing recipient ownership of development strategies with donors committing to supporting these strategies in a coherent and coordinated fashion.¹⁴ Now the prescriptions laid out in agency documents tend to stress the *joint* nature of the responsibilities. For example, the OECD's *Shaping the 21st Century* lays out joint, recipient and donor responsibilities. Both partners should create conditions conducive to development such as minimising the risks of violent conflict, strengthening protection against corruption and involving civil society more. For their part, developing countries should adopt sound macro-economic policies, commit to social development and the rule of law, create a favourable climate for investment and improve public financial management. Donor countries should provide reliable assistance to meet priority needs, address inconsistencies within international trade and investment systems, provide support to strengthen capacity in recipient countries, and improve access for the latter to information, technology and

¹⁴ The precedent for this in the 1980s was the attempt to get donors to support the normative reform agendas of the SAP (Forster and Stokke 1999). In a similar vein to the PRSPs, the premise was that the partner country would take the lead and donors would adhere to the SAP on the grounds that they had been evaluated and accepted by the international community.

knowledge (OECD-DAC 1996: 14-15). In both the Rome and Paris Declarations similar sets of responsibilities are outlined. In the early 1990s, considerable responsibility was laid on developing countries to improve the administrative, financial and political capacity for aid to function through better governance. What the more recent declarations do is shift some responsibility back towards the donor side, recognising that the problem of aid effectiveness was not merely down to a lack of recipient ownership, but also attributable to the failure of donors to harmonise their practices and procedures. The emphasis is therefore upon *joint* responsibility which emerges strongly from the Rome Declaration on Harmonisation.¹⁵ Within this there is a shift in what coordination means from better information sharing and avoiding duplication towards the technical harmonisation of procedures.

Despite this process, many of the problems of coordination identified in the 1980s remain unresolved. The first of these is the fundamental issue of who coordinates the coordinators. All the official documents dating back to the 1980s stress that the developing country government should take the lead on coordination. But as Whittington and Calhoun (1988: 307) observed “part of the problem is simply that all donors want to *co-ordinate*, but no one wants to be *co-ordinated*” (emphasis in the original). This reflects Forster and Stokke’s claim that “[t]here will always be competition between institutions in setting the international agenda; taking the lead in policy co-ordination, therefore, also serves a self-promotional purpose” (Forster and Stokke 1999: 27). Here, the authors are referring to the OECD carving a role for itself by putting the concept of ‘coherence’ on the agenda. In a similar vein, the history of aid coordination demonstrates a tension between the UNDP and the World Bank to take the lead on these questions; likewise it is clear that within the OECD-DAC there are some bilateral donors who are more engaged on these issues than others. This is salient at the international level, but also at the country level, where as we shall see there is competition between agencies to lead on particular topics and sectors. While weak capacity on the recipient side can be given as a reason for donors to be more directive, this has been raised in many country studies as a particular problem (OECD-DAC 2005b).

In the mid-1980s, Cassen highlighted a series of problems with coordination. On the donor side, he noted that coordination potentially inhibited donor freedom to pursue strategic objectives through aid programmes; disagreements amongst donors at technical, ideological and political levels; high costs in terms of time and expense; and the fact that “donors often do not have a common understanding of development strategy, technology, and policy in key technical areas” (Cassen 1994: 184). On the recipient side, he highlighted administrative costs, “unbearable pressures” in terms of demands for policy reform, limiting the scope to play donors off against each other, and differences between central ministry and line ministry interests (idem: 185). In the 1994 update of the original study conducted in 1986, Cassen observed little real change, concluding that there was a lack of real commitment to coordination. Writing in 1988 about coordination in Sudan, Whittington and Calhoun emphasised the lack of donor willingness to share information and to take the time to participate in attempts to establish a clear record of who was doing what. The authors proposed various reasons for this, including donor bureaucracy, the lack of incentives for

¹⁵ This idea of donor responsibility is not entirely new, however. King and McGrath (2004) observe how the Pearson report of 1969 called for donors to live up to their commitments towards developing countries.

individuals within donor agencies, low staffing levels to deal effectively with coordination, and a lack of faith in Government systems. This led the authors to conclude that: “Many of the donors who rhetorically call for co-ordination simply do not mean it... few donor co-ordination efforts have proceeded beyond the level of general discussion” (Whittington and Calhoun 1988: 306).

Almost 20 years later there are clear similarities in the problems with establishing effective coordination of aid. In the run-up to the Paris 2005 Forum, the OECD-DAC was frank in its assessment of progress. Although

a range of harmonisation activities is taking place in even more countries than were envisaged at the time of the Rome Forum... with a few notable exceptions, the alignment and harmonisation agenda has not yet been sufficiently internalised both by donors and developing countries through changes in development agencies’ operational policies, procedures, and staff incentives. (OECD-DAC 2004: 4)

The various studies conducted in preparation for the Paris Forum threw up a wide range of challenges: a reluctance on the part of donors to align with country strategies in weaker states; communication problems between headquarters and field staff and within recipient institutions; difficulties in translating commitments into concrete actions; donor reservations about the depth of recipient commitments to poverty reduction; a continuing high number of uncoordinated donor missions; poor information sharing; lack of predictability in aid flows; poor incentives for donor staff; recipient countries not taking the lead; and high transaction costs for both donors and recipients (de Renzio, Booth, Rogerson and Curran 2004; OECD-DAC 2004, 2005b; Paris Declaration 2005). Indeed, a survey on harmonisation conducted by the OECD-DAC came to one conclusion that although donors “have clearly internalised the *principle* of aligning their programming on the needs and priorities identified in the [Poverty Reduction Strategies]... [t]here is little evidence that donors have adapted their programmes in support of PRS priorities” (OECD-DAC 2005b: 16, emphasis in original).

What rarely emerges from these official documents, however, are the political imperatives which continue to affect firstly the way in which donors perceive coordination and secondly donor capacity to change their ways of working. This was something noted by van de Walle (1999) who was sceptical about the possibilities for coordination to move beyond mere information sharing, given bureaucratic constraints on donors.

Conditionality and Policy Dialogue

The third aspect of the new principles of interest to this study is that of policy conditionality and how it has changed under the new aid agenda. The conditions attached to aid have always constituted one of the most controversial aspects of development assistance – their nature, their morality, and whether or not they work. While conditions in the form of performance criteria, preconditions and programme reviews have formed the basis of IFI aid policies since the 1950s (Killick 1998; Stokke 1995), Stokke argues that it was only in the 1970s that conditions prescribing reforms in developing countries became more transparent (Stokke 1995: 7). The term ‘conditionality’ tends to be used in conjunction with what is known as ‘first’ and ‘second’ generation conditionality. First generation conditionality is linked with the

economic reform programmes pursued during the 1980s, that is the requirement for poor, indebted countries to pursue radical Structural Adjustment Programmes to qualify for assistance. It was mainly associated with the IFIs, but the main bilateral donors also came on board this agenda, often using 'cross-conditionality'. This involved linking bilateral programmes to IFI conditions. Second generation conditionality emerged in the context of the post-Cold War wave of democratisation in the early 1990s and was more political in nature. This reflected changing geopolitical structures which allowed political conditionality to be imposed almost universally (Crawford 2001), but also reflected

the programme of an alliance, comprising international financial institutions, seeking to bring about the capitalist transformation of African economies; Western governments, flexing their diplomatic muscles in the aftermath of the Cold War; Western public opinions, outraged at the brutality and corruption of at least a significant number of African regimes; and finally, at least vicariously, the African publics who were vociferously demonstrating their own discontent with the existing order, and on whose behalf the Western aid donors could claim (often misleadingly) to speak. (Clapham 1996: 195)

Second generation conditionality did not replace first generation conditionality but rather added to it by including democratisation and human rights conditions to existing technical and institutional ones (Stokke 1995; Burnell 1997; White and Dijkstra 2003). Indeed, the pursuit of political and economic reforms simultaneously was increasingly seen as essential: "democracy was valued as providing the political context most likely to sustain economic reform efforts" (Crawford 2001: 13).

The poverty agenda has been seen to represent a third generation of conditionality (Burnell 1997; White and Dijkstra 2003: 11), based on the specific requirement for heavily-indebted poor countries to demonstrate a commitment to a clear poverty reduction strategy in order to qualify for debt relief. Cross-conditionality continues under this third generation, with many bilateral and some multilateral donors making their aid programmes contingent on the existence of a PRS arrangement with the IFIs. At the same time, this third generation, like the second, has not discarded the former prescriptions but rather added to them (Killick 2004). Nevertheless, over the last five to ten years, as the poverty reduction agenda has taken off, this third generation conditionality has been portrayed as incorporating a new approach, based around mutually agreed commitments, quantified in targets and benchmarks, rather than externally-imposed conditions. This has ushered in new sub-categories of conditionality. For example, the UK's 2005 policy document mentioned above distinguishes between 'fiduciary' conditionality which is linked to the terms of aid agreements, 'policy' conditionality which is specific to a particular piece of policy being pursued, and 'process' conditionality which relates to the adoption of policy through a particular methodology, such as consultation of the population.¹⁶

Debates have raged amongst scholars (who mainly criticise it) and agencies (who mainly defend it) about the ethics of conditionality, as well as its effectiveness. Uvin (2004) provides an overview of four interlinked arguments about conditionality. Firstly, he questions whether conditionality is ethically sound and should be employed at all, particularly as its application tends to impact most heavily upon the poor and the vulnerable rather than the political elite at which it is aimed. Secondly,

¹⁶ On 'process' conditionality, see also Uvin (2004: 73).

he asserts that even if it were ethical it is never fully implemented. Thirdly, even when it is employed it does not necessarily produce the intended results. And finally, not only does it not work but it actually destroys what it is seeking to achieve, i.e. it is counterproductive. This is mainly the case where there is a domestic backlash against conditions or where, for example, conditionality to foster democracy undermines the democratic process itself by shifting accountability away from domestic actors to external agents (Uvin 2004: 59-69).

The principal point of debate is whether conditionality is actually applied and whether it works. There have been numerous occasions on which aid has been frozen or suspended to countries (Nelson and Eglinton 1993; Santiso 2002; Uvin 2004), there are many examples of conditionality playing a role in supporting government forces to enact policy change (Koeberle 2003; White and Dijkstra 2003: 490), and there has been at least partial application, especially where it is in the recipient's interests (Morrissey and Verschoor 2004). Despite this, it is generally considered to have had limited results and not to have worked. There are a number of reasons for this, most importantly the primacy of donor political economic and political interests, where the blurred boundaries between development and diplomacy enhance the potential for contradictions (Clapham 1996: 198; Crawford 2001: 246-247). This leads to donors giving confused messages. Kanbur describes the system as "dysfunctional", given that "the recipients know, the donors know, and in fact everybody knows that these are paper conditions – the outcome will be driven by the need of both sides to maintain normal relations and the flow of aid" (Kanbur 2000: 416).

Nevertheless, conditions attached to aid continue to define the system. Indeed, "most people, including scholars, spontaneously assume that aid is a powerful lever for policy change." (Uvin 2004: 56). This reflects the all-important question of accountability – of donors to their tax-payers, of recipients to their donors, and increasingly of recipient governments to their populace. However, as noted above, the language has shifted in tune with the new aid agenda, and new instruments have emerged, particularly with regard to general and sector budget support. In the spirit of partnership, the language has moved from imposing conditions from the outside – which are unlikely to be implemented – to 'mutual commitments' whereby donors agree a set of terms with the recipient. Within this there are two important factors: dialogue between donors and the recipient government; and the 'streamlining' of conditionality. Policy dialogue has always formed an integral part of conditions on aid, referring to wide-ranging discussions around government processes which can happen at a variety of levels involving a number of instruments: through bilateral or multi-actor partnership talks; within individual projects; more or less formal; and at financial or administrative levels of the policy-making process (Stokke 1995). The main problems of such dialogue are: firstly, that it risks subverting accountability, with recipients being accountable first to the donor and only then to their population; and, secondly, that the policies the donors are promoting may not be the best ones for the country (White and Dijkstra 2003). Under the new aid agenda, dialogue has come to refer specifically to the mutual negotiation of conditions. This is well illustrated in the UK's 2005 policy paper:

We will not make our aid conditional on specific policy decisions by partner governments, or attempt to impose policy choices on them (including in sensitive economic areas such as privatisation or trade liberalisation). Instead

we will agree with partners on the purpose for which aid is being given, and will agree benchmarks to assess progress. We will draw these from countries' own plans, where available, and these benchmarks will relate to the impact and outcome of countries' overall programmes in reducing poverty, rather than to specific policies. (DFID 2005a: 2)

The second factor is the notion of 'streamlining conditionality' (OECD-DAC 2005a: 21). This reflects attempts to get donors to agree to a common 'pool' of conditions focusing on a few core policy objectives (Killick 2004). In the interests of aid effectiveness, rather than each donor establishing a separate set of conditions, donors should draw conditions from the recipient's own policy documents; so this in turn depends upon the recipient government having a national development strategy aimed at poverty reduction which has received international approval from the IFIs and donors. While donors are not expected to all apply the same conditionality, the logic is that they will draw their conditions from an agreed framework, reflecting the government's own commitments. This links back to the harmonisation approach and the desire to reduce the burden on recipient governments.

Emerging from this are new types of instruments, including memoranda of understanding (MoU), common frameworks and partnership principles.¹⁷ In a wide range of countries Partnership Frameworks have been established which seek to translate wider commitments on harmonisation into practice at the country level.¹⁸ For example, in Mozambique fourteen donor agencies have signed up to a joint memorandum of understanding with the government to regulate the provision of budget support (see Harding and Gerster 2004; Killick, Castel-Branco and Gerster 2005). In Rwanda, as we shall see, individual MoUs have been signed with the GoR by the UK, Sweden and the Netherlands. These frameworks lay out a series of donor, government and joint commitments often with quantifiable benchmarks or targets. These are drawn from national poverty strategies and provide a means of monitoring progress on conditions and ensuring accountability for both sides.

Within the new approach to conditionality the concept of 'selectivity' is very strong. This refers to the provision of aid to 'good performers' amongst developing country governments, an idea put forward in Killick's extensive exploration of conditionality in 1998, and taken up in various subsequent discussions (Killick 1998; Degnbol-Martinussen and Engberg-Pedersen 2003; White and Dijkstra 2003). This constitutes a form of *ex post* conditionality, that is rewarding countries with aid on the basis of their performance and commitments with regards to reform and change. For the European Commission (EC) this is captured in the notion of 'performance-based conditionality.'¹⁹ The EC has been running pilots of this in countries such as Burkina Faso since as early as 1996. The idea is that the donor does not prescribe the instruments by which objectives are to be achieved, but aid is delivered on the basis of outcomes. The split of aid into 'fixed' and 'floating' instalments allows greater flexibility, with the latter decided by the recipient country on the basis of when it

¹⁷ For example, the SPA set up pilot exercises on sectoral support in the late 1990s, such as education in Ethiopia, agriculture in Mozambique, and health in Côte d'Ivoire and Zambia (see White and Dijkstra 2003).

¹⁸ See <http://www.aidharmonization.org/ah-cla/secondary-pages/editable?key=302>

¹⁹ The idea of 'performance-based conditionality' - also termed 'outcome-oriented', 'outcome-based' and 'results-oriented' - is addressed with regard to the IMF by Khan and Sharma (2003) and Koeberle (2003).

expects conditions for disbursement to be met (Adam, Chambas, Guillaumont, Jeanneney and Gunning 2004). The UK's position is that:

In deciding how to allocate aid between countries, the UK will take account of the extent of poverty in a country, and of its ability to use aid effectively (as evidenced by the expected impact of its poverty reduction programme and its commitment to sound financial management and accountability standards). (DFID 2005a: 1)

Under the PRSP approach, recipient governments must demonstrate their commitment to poverty reduction through the establishment of an internationally-acceptable poverty reduction strategy, elaborated with civil society participation. Aid is subsequently provided to help implement this policy through the building of capacity and concrete activities. Selectivity has also seen bilateral donors restricting the number of countries they work with, as has been the case for the Netherlands, Norway and Belgium, which have all reduced the number of core 'partner' countries or sectors in which they work.

Perhaps the best example of selectivity for aid allocations is provided by the USA's Millennium Challenge Account (MCA), an instrument adopted in 2002 aimed at supporting the best-performing developing countries. Countries are to be selected on the basis of a wide range of eligibility criteria with strong normative overtones: "funds from the new program [should] go to low-income countries that are 'ruling justly, investing in their people, and encouraging economic freedom'" (Brainard, Graham, Purvis, Radelet and Smith 2003: 28). Countries are assessed against sixteen indicators and are ranked in relation to other countries in the same income bracket. The indicators cover such issues as corruption levels, accountability, government effectiveness, civil liberties and political rights; immunization rates, education and public spending on health; and inflation, regulatory environment, trade policy and 'days to start a business' (idem: 40-41).²⁰

The selective or performance-based approach raises a number of problems, including how to take into account exogenous factors which inhibit performance but which cannot be attributed to government; the length of time required to reach a stage where outcomes can be tangibly assessed, especially in countries which are only just finalizing poverty reduction strategies; the assessment of outcomes which requires stronger and more credible data and much greater trust between partners; and the potential for creating a 'culture of results' rather than real change (Adam *et al.* 2004). This also reflects the findings of the OECD-DAC survey on harmonisation which observes that the poverty reduction strategies as they currently stand are proving to be weak tools for performance assessment, with donors demanding an excessive number of indicators beyond the scope of weak country statistical data systems (OECD-DAC 2005b). At the same time, Uvin (2004) is concerned that the focus on quantifiable process targets risks ignoring the outcomes and realities of those processes. For example, the requirement for popular participation in poverty reduction strategies may be reduced to a mere semblance of participation rather than a real national dialogue process. Finally, there is the problem of performance-based

²⁰ Soederberg provides a good critical analysis of the MCA, locating it within the context of post-9/11 American imperialism, with its 'pre-emptive' approach to the provision of aid to poor countries and its selectivity criteria based on dominant American cultural, political and economic values (Soederberg 2004).

aid in countries characterised by weak governance. The particular problems of applying the poverty agenda in these countries is being addressed through recent reflections on 'fragile states' (see Lockhart 2005; Picciotto, Alao, Ikpe, Kimani and Slade 2005).

This discussion demonstrates that conditions upon aid under the new agenda have become more complex despite attempts to 'streamline' conditionalities. The language may have changed from conditionality to mutual commitments and benchmarks but the system has changed very little. The provision of aid under the new agenda is conditional upon adherence to a new prevailing set of norms, as the following extract from the UK's 2005 policy paper demonstrates:

Good policy matters for development. Macroeconomic stability and growth are essential for lasting poverty reduction. But the policies needed for poverty reduction and long term development are much broader, and encompass the social, cultural, economic, civil and political rights of all men, women and children. They also include governance issues, environmental concerns and social exclusion. (DFID 2005a: 4)

Although the UK has committed itself to limiting conditions to those agreed with the recipient, drawn from the recipient's own policy documents, the actual content of the recipient policy is determined in large part by external actors, a point also raised by Uvin (2004). This raises questions about how 'new' this approach to conditionality is and whether it represent a real change in relations or just a careful use of language. In light of donor requirements for accountability vis-à-vis their own constituents, Stokke's words of 1995 continue to ring true: there will always be conditions on aid, both implicit and explicit; they are a "part of everyday life in aid relations" (Stokke 1995: 34).

While the search for quantifiable indicators has allowed more explicit technical conditions to be established, it is much harder to quantify political conditions, especially in areas like human rights and political governance. Indeed, as Mosley and Eeckhout observe:

although much has been added to the conditionality menu since 1981, nothing has been taken off: conditional programme aid is thus now being expected to deliver stabilisation, pro-poor growth and now good governance, to say nothing of a whole array of supplementary agenda items... including environmental protection, greater equity of provision between men and women, demilitarisation and conflict prevention. The ironic consequence of all this has been that financial programme aid, which was hoped to improve on project aid by imposing lesser burdens on hard-pressed administrators in developing country ministries, is now far from doing so and is arguably increasing those burdens (Mosley and Eeckhout 2000: 142-143).

Conditionality under a programme aid approach brings with it new challenges, namely whether it is in fact "easier to 'turn on and off'" (White and Dijkstra 2001: 19) than project aid. Indeed, it is widely recognised that, in theory, donors can halt disbursements of budget support at any time if it is felt that conditions are not being met (Cordella and Dell'Araccia 2001; Degnbol-Martinussen and Engberg-Pedersen 2003; Booth and Lawson 2004; Killick 2004):

Its ease of disbursement means that budget support can be stopped more quickly than other aid instruments. Events, such as an incident of human rights abuse or

increased military spending, can raise political or public opinion concerns about providing general support to a partner government's budget. (DFID 2004b: 10).

This means that predictability, one of the reasons behind the provision of budget support, is not guaranteed, a fact recognised by donors:

the present method of implementation of budget support has not made aid more predictable... it would be unrealistic to assume that the tension between accountability and predictability of aid can be completely eliminated. (idem)

Behind this lies the reality that 'new' programme aid is a highly political instrument which the concern not only with governance but also policy dialogue demonstrates. This dialogue is changing from "mostly a technical dialogue about capital, technology and organization, to an all-encompassing political dialogue about the structure of society and management of society's development processes" (Degnbol-Martinussen and Engberg-Pedersen 2003: 41). This throws into doubt the whole concept of ownership and partnership, to which we now turn.

Partnership and Ownership

Underpinning all of these debates are the core concepts of 'partnership' and 'ownership' which emerge again and again in the above discussions about coordination and harmonisation, programme aid, and conditionality. These terms are fundamental to current aid discourse and are closely interlinked; but there is no one, clear definition of either which is used across the board in agency or analytical literature. However, "[a]lthough it lacks precise analytical definition, [ownership] captures something critical for aid effectiveness" (Carlsson, Somolekae and van de Walle 1997: 10). The poverty reduction approach is premised upon improving aid effectiveness through increased country ownership of development policy and processes; without internal commitment to a reform process in the interests of the population, development is deemed to be unworkable. Indeed, lack of 'ownership' or government commitment was acknowledged as one reason for the failure of structural adjustment policies (Renard and Molenaers 2003: 7).²¹ Ownership requires a new relationship between donors and recipients, based on a much more equal undertaking and mutual responsibility.

The documents of donor agencies and recipient governments alike, as well as the range of international declarations mentioned in this chapter, are replete with reference to these terms (see box 2.3). Moreover, these are constantly used by actors on the ground, representative of the extent to which the particular language of development permeates the entire system. Important within the examples given in box 2.3 is the notion of the recipient country *taking responsibility* for the development, management and implementation of policies for poverty reduction: "each developing country and its people are ultimately responsible for their own

²¹ In their study of policy ownership in Uganda, Morrissey and Verschoor consider that in fact 'ownership' is not necessarily essential for good policy to be formulated and implemented. "Ownership may be desirable, but it is not necessary" (2004: 2); what is necessary is that the policy constituency has bought into the need for and the idea of the reform, and sees it as in their interest, that it is 'committed'; but policy can be adopted or adapted from elsewhere, with external influences, so does not necessarily have to be 'home grown'.

development” (OECD 1996: 14).²² This in effect entails a transfer of leadership and power from the donor to the recipient, to be initiated by the recipient. But it is broader than recipient government ownership; the emphasis is clearly upon *country* ownership.²³ Ownership (and partnership) therefore have two dimensions: recipient government ownership of development programmes in relation to donors and external actors, i.e. between donors and recipients; and public ownership of development programmes in relation to government, i.e. between recipient governments and the people. The notion of ‘ownership’ is therefore quite specific; it is closely tied to the other elements of the poverty agenda and sits within the framework of a ‘development partnership.’ For Abrahamsen, this represents a “recasting” of the aid relationship “with donors attesting that they no longer seek to impose their vision of development on poor countries’ but instead wish to be partners in strategies determined and ‘owned’ by recipients themselves” (Abrahamsen 2004: 1453).

Box 2.3: Ownership and Partnership - Examples from Donor Discourse

In a partnership, development co-operation does not try to do things for developing countries and the people, but with them ... Each donors’ programmes and activities should then operate within the framework of that locally-owned strategy in ways that respect and encourage strong local commitment, participation, capacity development and ownership. (OECD-DAC 1996: 13-14)

We attach high importance to partner countries’ assuming a stronger leadership role in the coordination of development assistance... [and will provide] support for country analytic work in ways that will strengthen governments’ ability to assume a greater leadership role and take ownership of development results. In particular, we will work with partner governments to forge stronger partnerships. (Rome Declaration on Harmonisation 2003)

Ownership. The development community would respect the right—and responsibility—of the partner country itself to establish its development agenda, setting out its own strategies for poverty reduction and growth. (OECD-DAC 2005a: 13; Paris Declaration 2005)

‘Ownership’ is defined as the effective exercise of partners’ authority over their development programmes including when they rely, entirely or partially, on external resources to implement them. (OECD-DAC 2005b: 9)

For us, ‘country ownership’ requires that the country has leadership over its development policies. It requires partner governments in consultation with citizens to define a poverty reduction programme, which donors can support... We do not only equate country ownership with government ownership. We believe that civil society, including poor people, should also have a voice and stake in their development, and that governments should be accountable to them. (DFID 2005a: 11)

Africa must take the lead in this partnership, take on responsibility for its problems and take ownership of the solutions - which are far more likely to work if they spring from African insights and judgements than if they are imposed from the outside. (Commission for Africa 2005: 67)

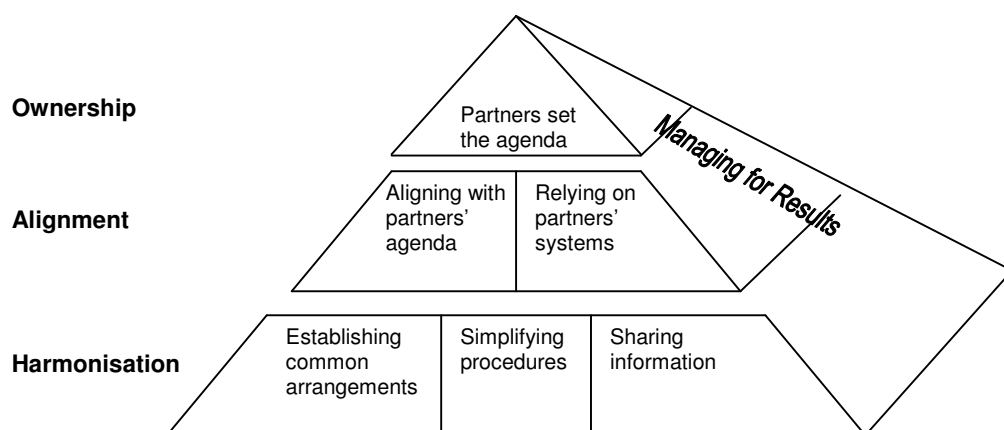
The OECD-DAC’s background paper to the Paris Forum in 2005 placed ‘ownership’ at the heart of the aid effectiveness system, and tied it intimately in with

²² Note, however, the contradiction between this statement and the title of the report from which it comes, *Shaping the 21st Century: the contribution of development cooperation*, which implies some manipulation by external forces.

²³ Note that in our discussion above about programme aid, the relationship there was very much between donor and recipient *governments*.

the concept of ‘partnership’. The aid effectiveness system is depicted as the pyramid reproduced in figure 2.2. This aims to capture the four core elements of the international agreements: ownership; alignment; harmonisation; and managing for results. The paper proposes that the concept of ‘ownership’ within this can be understood in two directions: top-down, whereby the starting point is the developing country (the ‘partner’) setting an agenda to which donors respond by aligning their support around it. Donors then harmonise their procedures to improve aid effectiveness. The other reading is bottom-up, whereby the stages are considered as a process of maturing. Donors adopt common procedures, which allows alignment around a set of core objectives with the ultimate goals of facilitating country ownership (OECD-DAC 2005a: 14).

Figure 2.2 : Partnership for Greater Aid Effectiveness



Source: OECD-DAC (2005a: 14)

This figure raises a considerable number of questions, however, which we will return to in more depth in chapter 8 in light of the situation in Rwanda. One immediate question is why a pyramid is considered the optimal shape, for which no clear explanation is provided in the document. The other striking element is the use of the term ‘partners’ in an ambiguous fashion. The references to ‘partners’ setting the agenda and to ‘partner systems’ does not mean a joint effort by both sides of the relationship – the donor and the recipient together – but refers to the recipient only. This reflects the shift in development discourse away from a giver-receiver relationship to a joint venture on equal terms.

The concept of ‘partnership’ really came to the fore in the second half of the 1990s, although several authors date it back to the 1969 Pearson Report (Maxwell and Christiansen 2002; Abrahamsen 2004; King and McGrath 2004). The concept has generally been more closely associated with countries like Sweden, whose aid has traditionally been premised on a relationship of solidarity, as well as the OECD-DAC and the European Commission. It was subsequently taken on board by the IFIs (Rogerson *et al.* 2004), and then since the mid-1990s has been central to the discourse of most aid agencies. For example, DFID’s 1997 White Paper introduced a new vocabulary to British aid: “from aid and assistance (or even cooperation) to ‘partnership (and ‘genuine partnership’); ‘international’ development replaces overseas aid or overseas development” (Burnell 1998: 789). For Burnell, this was not mere semantics; DFID’s new approach was less patronising towards ‘partners’, with

‘ownership’ and ‘responsibility’ as “a key under-current”. ‘Ownership’ likewise became a central concept for Dutch aid in 1996 on the premise that aid should be inspired by the needs and wishes of the recipients and less by the views of donors (van Gastel and Nuijten 2003).²⁴ These authors claim, however, that the definition of ‘ownership’ becomes increasingly less clear in subsequent policy documents, and eventually gives way to ‘partnership’ as the central idea of Dutch aid.

As we saw with the new language of conditionality, the rhetoric about partnership and ownership conceals complex realities. For Fowler (2000), partnership is nothing more than a “terminological Trojan Horse”, masking inequalities behind the semblance of equality. Moreover,

[I]n order to be accepted as a partner in the first place, the criteria set up by the donor must be met. One of the central criteria involved in selecting partners (also emphasized in partnership policy) is that the partner shares the goals and objectives of the donor. Moreover, to continue being a ‘partner’ the objectives and goals set up in the partnership must be fulfilled. (Baaz 2005: 74)

While the name now given to development cooperation may be partnership, the game is to be played according to rules that the donor has decided in advance. (Burnell 1998: 798)

Abrahamsen, in her review of the literature on partnerships, observes two tendencies: those who see partnership as a positive shift to facilitate greater responsibility and power by the recipient side, while at the same time recognising the limitations to it due to the nature of the giver-receiver relationship; and those who see it as a rhetorical exercise which masks the continued domination of the South by the North. She sees the latter position as somewhat simplistic and proposes rather that partnerships allow a degree of agency for developing countries: “it is only with the introduction of partnerships that developing countries are primarily *partners* rather than *recipients*; the active creators of their own future and development rather than the objects of external benevolence.” The discourse assigns partners “prime responsibility for their own development strategies”; thus it “confers obligation and duties, at the same time as it opens up new possibilities for decision and action” (Abrahamsen 2004: 1460). The concept of partnership is therefore both coercive and voluntary in offering new opportunities for agency by developing countries. This point is reiterated by Baaz who finds that neither recipients nor donor agents are passive in this process. However, her exploration of perceptions of partnership amongst donors and development workers in Tanzania highlights the embedded paternalism in the way in which these actors perceive of and understand their ‘partners’ (Baaz 2005). Clapham’s earlier work on structural adjustment in Africa mirrored this perspective, seeing ‘ownership’ emerging in the way that African states evaded imposed agendas through resistance, acceptance and formal acceptance coupled with attempts to subvert: “African states were... not merely the passive victims of programmes imposed on them, but were able to devise alternative responses to the demands made on them” (Clapham 1996: 176).

As with the idea of ‘partnership’ there has been a great deal of critical analysis of the ‘ownership’ concept. A central problem is the reality that as “the North claims

²⁴ Van Gastel and Nuijten claim that ‘ownership’ has existed in Dutch development policy for several decades, having its roots in the self-reliance discourse of the late 1960s and 1970s which was taken on board within the Dutch aid agenda (van Gastel and Nuijten 2003: 9).

ownership of the values involved, the ownership is taken away from the South” (Stokke 1995: 75). This discourse is largely prevalent in countries which are highly aid-dependent and where external influence over development processes is strong. Consequently, the ‘ownership’ on offer within the new principles of aid is highly circumscribed, as Rogerson *et al.* observe:

There is an inherent tension between on the one hand a *voluntary*, country-owned statement of priorities (the PRSP) and on the other hand a *mandatory*, externally driven judgement as to its quality and feasibility... In aid-dependent countries, the requirements of donors will inevitably start to ‘pollute’ the home-grown vision, if the government is, quite rationally, attempting to get the widest possible support for it. (Rogerson *et al.* 2004: 12)

‘Ownership’ under these circumstances cannot be equated with home-grown ideas, inherent, internal ownership or ‘free choice’ whereby the recipient would formulate its own ideas and donors would then conform to and respect those. ‘Ownership’ as used in development discourse carries prescriptions about what is expected of recipient countries, namely that their objectives are largely congruent with donor goals, and thus limits the space for real country ownership to emerge. This leads to a potential conflict between the desire of donors to promote ownership in the interests of more effective aid, the desire of recipients to have ownership, and the reality that donors remain accountable to their own constituencies for the use of aid resources.²⁵

Conclusion: how ‘universal’ is the new aid agenda?

The adoption of the Millennium Development Goals marked the beginning of a new era in development cooperation, one characterised by consensus-building amongst both donor institutions and recipient countries around principles, programmes and outcomes. The ensuing drive to improve aid effectiveness with a range of new aid instruments and coordination mechanisms gives the impression of a single purpose of mind amongst aid actors. However, the reality is quite different. In 1999, Riddell wrote that “African aid relations are still beset by donor rivalry, notwithstanding all the noble words about collaboration and co-operation” (Riddell 1999). To a great extent, this continues to hold.

Central to this is that in the 1990s the aid agenda became more complex, with no clear theoretical framework. Development theory today represents an amalgamation of various aspects of previous paradigms. The poverty agenda of the 1990s and 2000s incorporates a mixture of classic economic theory aimed at economic growth overlaid with concerns about human rights and social needs. It gives space for both top-down prescriptions and bottom-up solutions, and consequently is riddled with potential inconsistencies and contradictions. Nevertheless, it continues to represent a normative approach to development, which is considered to be *the* agenda and which provides limited space for alternative visions. However, because it constitutes such a mixed bag, there is room for individual donor agencies to choose to prioritise particular elements of the agenda according to their own requirements, theoretical

²⁵ On this last point see Porteous (2005) who raises the concern that “in their eagerness to hand over ‘ownership’ of (foreign-financed) development to governments, the donors underestimate or overlook the governance short-comings which undermine development.”

perspectives and values. While there are dominant tendencies, these issues render coherence and coordination all the more complex and have led to contrasting perceptions not only amongst donor agencies but also within donor countries, where debates on aid have increasingly become intertwined with debates on foreign policy and international trade.

Despite the semblance of universal agreement on the new aid agenda, this is rather a “stylised ‘consensus’ view” (Rogerson *et al.* 2004: 10). The international declarations have been driven not by all agencies but by a sub-group of like-minded thinkers. As Rogerson *et al.* further note “[n]ot everybody subscribes equally to all of these elements and... not all who do subscribe then act on them consistently... Few, however, reject any of them explicitly and categorically” (idem). Within the ‘consensus’ there is considerable scope for differences in interpretation. Some agencies are clearly driving the ‘new’ thinking, notably the Scandinavian countries, the Netherlands and the UK, as well as multilateral institutions such as the OECD-DAC, the World Bank and the European Commission. International agreements such as the Millennium Declaration mask the voices of a wide range of constituencies, and the compromises and negotiations which were a part of the process of reaching agreement. While there may be general accord on certain core concepts, such as the salience of poverty reduction or the benefits of programme aid, turning this into practice is another matter. As the OECD-DAC observes:

While overall the trend in aligning donor assistance with partner country priorities is positive, some donors give only “qualified” endorsement of country priorities. Their reasons run the gamut from minor quibbles on details to fundamental reservations about key parts of the strategy or even about the partner government’s commitment to poverty reduction. In some cases, a donor may approve of the broad direction of the strategy, but disagree substantially over the proposed pace and methods of its implementation, and hence of the extent of the external financial effort required. Several donors report that PRSs often do not clearly prioritise among sectors or reforms in need of support, and thus may offer little guidance for programming purposes. This, unfortunately keeps the door open for donors to continue to decide “unilaterally” on the parts of the strategy (sectors, institutions) on which they prefer to focus their support, and in what timeframe, and it reinforces donors’ tendency to adapt country problems to fit their own sectoral or policy preferences... In other cases, donors’ reluctance derives from scepticism over the nature of national leadership, its commitment to poverty reduction relative to non-development objectives, or, even where this is not the case, the depth of its ownership and capacity to implement its PRS. (OECD-DAC 2005b: 25-26)²⁶

At the same time, the new aid agenda represents some profound shifts in thinking. Most important of these is the notion of joint responsibility for aid effectiveness, which has opened up space for the recipient voice to be heard more clearly. Although donor agencies continue to dominate the thinking on aid, developing countries have been actively involved in the preparation and negotiation of the agreements and strategies outlined here. This has also led to additional pressure on donors to demonstrate that they are living up to their own commitments. While far from optimal, the trend in publicly assessing donor practices with regard to budget

²⁶ See also A. Riddell (2002) for an overview of very different donor perspectives on programme aid.

support, harmonisation and conditionality is a step towards at least acknowledging where persistent problems lie.

Donor Engagement in Rwanda: Politics, Priorities and Practice

Introduction

In June 2002, the Government of Rwanda (GoR) published the final version of its first Poverty Reduction Strategy Paper (PRSP). This document was welcomed in donor circles. The World Bank considered that it “reaffirm[ed] the commitment of the Government to sustainable poverty reduction... provide[d] a comprehensive poverty diagnosis and spell[ed] out the government’s strategy and priority actions to reduce poverty in Rwanda.” The Bank further described it as “innovative” (World Bank and IMF 2002: 1), providing “a sound basis for Bank and Fund concessional assistance and for debt relief” (idem: 9). The PRSP was seen as representing a Rwandan-owned strategy, adopted in consultation with the local population, for addressing poverty reduction and socio-economic development in the medium-term. At the annual meeting between the GoR and donors in November 2001, the interim PRSP had already been endorsed by donors “as the framework for development interventions by all stakeholders” (GoR 2001c). In November 2002, agreement was reached on the adoption of a coordination framework to facilitate the implementation of the PRSP:

Participants to this Conference approved the co-ordination framework presented by Government based on sector clusters, facilitating agencies and ministries... It further noted that the mechanism, if well implemented, would go a long way to improve co-ordination and donor-government dialogue. To this extent it needed to be dynamic and flexible. Government and a number of donors once again expressed the importance of increasingly channelling their support through the budget. However, recognising that this may not be possible for some countries or could not happen soon, Conference insisted on the need to align programmes of donors unable to give budget support to national priorities rather than stand alone programmes... Conference concluded by acknowledging that Rwanda was on the right path and deserved increased support. It noted the meeting of minds between Rwanda and its partners on many issues, appreciating the frank and open dialogue. (GoR 2002e)

This citation from the communiqué of the November 2002 GoR-donor conference demonstrates the extent to which the new aid principles outlined in chapter 2 had taken root in Rwandan relations with donors. High on the agenda were coordination around the PRSP, the need for increased aid to support a country seen as going in the right direction, debates around the provision of budget support, and the importance of fostering policy dialogue between partners.

However, this ‘meeting of minds’ amongst the GoR and donors in Rwanda masks considerable differences in donor activity in Rwanda. Between 1994 and 2004 important shifts can be observed in the presence, policies and practices of the main donors, reflecting the specific context of Rwanda and broader trends in aid. This chapter provides a comparative overview of the main bilateral donors present in

Rwanda over this period. It considers the trends in donor involvement; how aid quantities have increased and decreased; the objectives and instruments used; and the role of political dialogue and conditionality in aid programmes. What emerges is a complex picture which, when placed in the context of the drive to foster increased national ownership of development policy and processes, raises considerable challenges for the GoR.

Trends in donor behaviour 1994-2004: Engagement, Disengagement and Re-engagement¹

Appendix 3 provides an overview of official donors, that is bilateral and multilateral agencies, to Rwanda for the period 1992-2003 on the basis of Organisation for Economic Cooperation and Development (OECD) statistics.² This shows the range of bilateral and multilateral donors which support Rwanda, the differences in the quantities provided, and the ways in which aid has increased and decreased over the years. As this demonstrates, donor support to Rwanda is by no means linear; rather, there are continual peaks and troughs in levels of assistance. The following analysis concentrates on a few of the main bilateral donors to Rwanda which have played a significant role over the last 10 to 15 years in terms of aid allocations and political engagement and which have a tangible presence on the ground, notably Belgium, Canada, France, Germany, the Netherlands, Sweden, Switzerland, the United Kingdom (UK) and the United States of America (USA). All of these donors are signatories to the declarations and agreements outlined in the previous chapter.

The civil war and genocide in Rwanda were catalysts for change in donor engagement. The response of donors to these events and their consequent relations with the new GoR have had a profound impact upon aid dynamics. Bilateral aid flows more or less came to a halt during 1994. In the immediate aftermath of the genocide most donors directed their support through UN agencies and NGOs, and it was only in 1995 that bilateral aid programmes really began to resume. This led to considerable changes in Rwanda's top eight bilateral donors between 1993 and 2003, as table 3.1 shows. Germany and Belgium are still very present, but they have been replaced as major partners by the USA, the UK, the Netherlands and Sweden. In 1993 the UK provided a mere \$1.2 million in comparison to \$42.9 million in 2003, Sweden \$3.3 million as against \$13.1 million and the Netherlands \$7.8 million as

¹ The chapter draws on two main sources of material: donor literature and overviews available through websites; and a series of semi-structured interviews with senior representatives of donor agencies in Rwanda over 2003 and 2004. The questionnaire which formed a guide for these interviews is available in Appendix 2, and the list of interviewees can be found in Appendix 1. Although not adhered to rigidly, given time constraints within some interviews and the relevance of the questions to all agencies, this provided sufficient comparative material to draw up the tables presented in this chapter. In 2004, follow-up interviews were conducted with some representatives, e.g. the Netherlands, Canada, Sweden and Germany in order to track shifts in policy and also to address specific questions on coordination and harmonisation.

² Unless otherwise specified, the source of statistics in this chapter is the Economic and Social Data Service (ESDS) International, based at the University of Manchester. The dataset employed is the Organisation for Economic Cooperation and Development International Development Statistics (see <http://www.esds.ac.uk/International/Introduction.asp> - accessed 12 May 2005). This source will henceforth be referenced as 'ESDS International (2005)'.

against \$23 million. None of these donors had a bilateral programme with Rwanda in 1993, nor did they have any in-country representation. The aid mentioned here was channelled either through multilateral agencies or NGOs. The change by 2003 is a direct result of the war and genocide.

Table 3.1: Top Eight Bilateral Donors to Rwanda in 1993 and 2003

1993		2003	
Donor	Total (US\$m)	Donor	Total (US\$m)
Germany	38.6	USA	52.6
Belgium	36.7	UK	42.9
France	35.5	Netherlands	23.0
USA	26.0	Belgium	20.8
Switzerland	20.2	Germany	13.9
Japan	14.9	Sweden	13.1
Canada	11.2	France	10.9
Netherlands	7.9	Canada	10.8

Source: ESDS International (2005)

Table 3.1, however, masks a lot of activity in the intervening period. Viewing the trajectory as laid out in figure 3.1 provides a clearer picture of how aid flows have fluctuated. For ease of comprehension, donors are divided into two groups: ‘new’ and ‘traditional’ donors. These terms have been widely used in recent literature on aid to Rwanda, most explicitly in an OECD report of 1999. The ‘new’ donors are those who did not have a strong presence prior to the genocide, including the Netherlands, Norway, the UK and Sweden, and to a lesser extent Italy, Ireland and Spain (Baaré, Shearer and Uvin 1999: 11-12). ‘Traditional’ donors refers to those with a long-standing presence in the country, such as France, Belgium, Germany, Canada and Switzerland. This division is recognised by donors themselves, as the following quote from a Belgian policy document demonstrates:

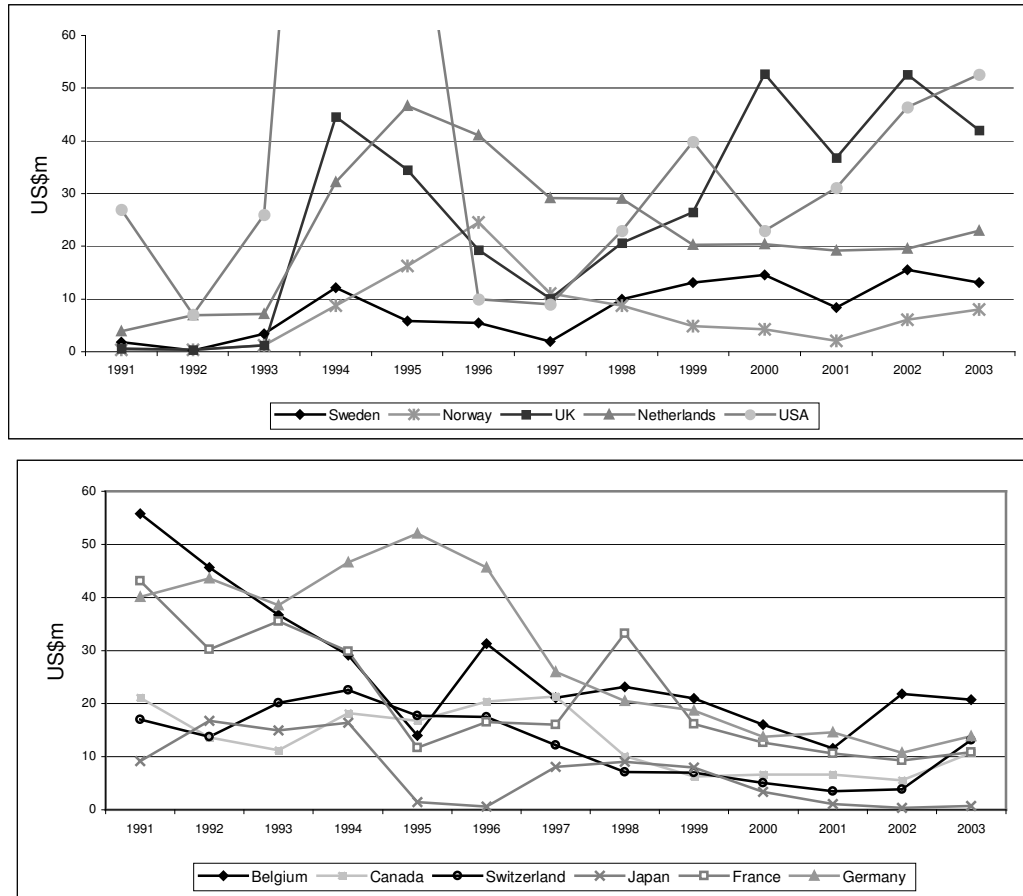
The important characteristic in relations between Rwanda and donors is the arrival of new bilateral donors after the genocide, henceforth present in the country with large-scale programmes and financial support. This is notably the case for the UK, Sweden and the Netherlands. Among the ‘traditional’ bilaterals can be found Belgium, Germany, the USA, France and Switzerland, which have all remained in Rwanda. (DGCD 2002: 18, translated from French)

The first graph shows the ‘new’ donors plus the USA. The second graph covers the ‘traditional’ donors, whose overall pattern is quite different to that of the first group. With the exception of Germany, there was a much more muted response in 1994, and a general decline in aid.

Caution is required when considering these graphs; they should be considered as nothing more than an illustration of trends. Actual amounts disbursed in a given year may differ greatly from the amounts specified in the official statistics. These tend to constitute overall aid commitments, some of which may be for multi-annual activities and some of which are funds promised rather than funds spent. The statistics here include different types of aid, including humanitarian relief, programme aid, food aid and debt relief, provided through a variety of bilateral, multilateral and private channels. Consequently, the information provided directly to the OECD by donors may differ greatly from the local experience of aid flows. To take an extreme example, the OECD statistics state that the USA allocated \$52.6

million to Rwanda in 2003. The aid matrix for 2003 published by the Rwandan Ministry of Finance, on the other hand, which is based on information provided by donor agencies and large NGOs present in the country, registered that the USA disbursed \$20 million in 2003 (Minecofin 2004c: 10).

Figure 3.1: Rwanda's main bilateral donors 1991-2003 (total aid \$ millions)



Source: ESDS International (2005)

Note: the USA provided almost \$200 million worth of humanitarian assistance in 1994, hence the line goes right off the chart.

That caveat aside, these data, complemented with information from alternative sources, do allow patterns to be observed:

Donors increasing their aid

This category particularly relates to the UK and Sweden, whose bilateral aid programmes have substantially increased since 1997. Neither of these donors was active in Rwanda prior to the genocide. Both provided humanitarian aid in response to the crisis, peaking in 1994 then declining until 1997; since then the trend has been generally positive. The UK provided mainly humanitarian aid in the aftermath of the genocide. After 1997 the UK presence expanded rapidly, growing from a one-person representation in 1995 to a fully devolved office in 2003. Since 1999 the UK has interchanged with the USA as Rwanda's principal bilateral donor. Up until 1997, Sweden was mainly providing humanitarian aid to Rwanda. It subsequently

developed a full bilateral programme with aid more than doubling between 2000 and 2003. Both of these donors are seen as key supporters of the GoR, providing aid as general budget support. There was a slight drop in aid in 2003, possibly due to disbursement patterns during an election year in Rwanda, but projections would suggest that these two donors are by no means decreasing their engagement. The USA is harder to place, given that its engagement seems to fluctuate constantly. Its aid soared in 1994-1995 as a direct humanitarian response to the genocide, then declined through to about 1997. The budget is decided annually on the basis of results from the previous year, making patterns hard to discern. However, on aggregate, since 2000 there has been a positive trend, with amounts outstripping support from the early 1990s. The actions of the United States Agency for International Development (USAID) seem to be less affected by political events than other donors.³ It is likely that 2004 will see another large increase in aid as substantial amounts of support have been allocated to Rwanda for HIV/AIDS projects under the President's Emergency Plan For AIDS Relief (PEPFAR).

Donors increasing, then decreasing their aid

Like the UK and Sweden, both the Netherlands and Norway were designated as 'new donors' in the years following the genocide. Neither had a significant presence in the early 1990s and what aid they provided was channelled through NGOs rather than as bilateral programmes. Immediately after the genocide, the Netherlands became an important political ally of the new regime in Kigali and the main backer of the United Nations Trust Fund (UNTF) which financed reconstruction projects for the Rwandan administration. The Dutch Minister for Development Cooperation at the time, Jan Pronk, was personally very engaged and committed to mobilising support for the new regime (Douma 2000; Pottier 2002). However, following an initial increase in aid in 1994, it then declined until 1997 and stabilised at around \$20 million between 1999 and 2002. Although administrative reasons have been advanced for some of this change, as we shall see below the Netherlands has been constrained by domestic, political factors. Norway, likewise, was considered a key new partner after the genocide. However, it has pulled back almost completely. It now maintains no bilateral presence on the ground, citing human rights reasons for not making Rwanda a priority partner (Norwegian Ministry of Foreign Affairs 2002: 14).

Donors decreasing their aid...

Amongst Belgium, France, Germany, Canada, Switzerland and Japan – Rwanda's 'traditional' donors – the overall pattern is one of diminishing support overall between 1991 and 2003. Two trends are worth noting. Germany, Canada and Switzerland all increased their aid around 1994-1995 in response to the genocide, Germany substantially. France, Belgium and Japan on the other hand did not. There was a general rebound until about 1997 since when engagements have decreased. With the exception of Japan, these are the donors which have been the most cautious

³ Although USAID as a donor agency is not a big political player in Rwanda, in the immediate aftermath of the genocide the USA was accused of being slow to recognise the new regime and of being influential in stalling funds from the World Bank. The amount the USA did eventually allocate to Rwanda was significantly less than that allocated to the refugee camps outside Rwanda's borders (Terry 2002: 172).

about the new regime. They have questioned most strongly its intentions in the region, notably with regard to the Democratic Republic of Congo (DRC), its human rights record and its internal political agenda. As agencies they have also been the most politically affected by the genocide, with most of these countries undertaking some sort of enquiry into their own role. Often individual agency representatives have been very personally affected.

... *but re-engaging*

However, several 'traditional' donors seem to be showing signs of re-engaging in Rwanda. After stabilising at a low of around \$6 million between 1999 and 2001, Canada's aid increased in 2003 and it has just finalised a new 10-year programme of support, although aid is not set to rise significantly. Japan had all but disappeared from the aid charts by 2001 with no bilateral presence in the country after 1994. In 2004, permanent representatives of the Japanese aid agency, JICA, were back in Kigali negotiating bilateral projects. Belgium held its first formal bilateral talks for over 10 years with the GoR in 2004, agreeing a new programme in which it committed to doubling its aid. Rwanda remains a priority partner for Switzerland, for whom the genocide came as a great shock, although aid allocations are unlikely to increase dramatically and concerns abound about Rwanda's governance. And even France, which has the most politically charged relationship with the GoR, is making a comeback.⁴ In terms of presence and action on the ground, France maintains a fairly low profile; yet it continues to provide fairly substantial quantities of aid. Some of this has been in the form of debt relief – explaining the minor peak in 1997 – but it also undertakes low-profile bilateral aid projects.

It is finally worth noting a couple of bilateral agencies, in addition to Norway, which no longer maintain a presence in Kigali, namely Italy and Ireland. Italy closed its office in Kigali in 2000; as emergency assistance gave way to development, NGOs became the primary channel for support (Ministero degli Affari Esteri 2000).⁵ In the early 2000s, Ireland was considering engaging very strongly in Rwanda, providing budgetary support as in Uganda in addition to funding prominent Irish NGOs in Rwanda. However, these plans were put on hold in 2004. The official explanation was budget constraints limiting the possibilities for developing strong new partnerships. However, NGOs critical of Rwanda in Ireland may have

⁴ In March 2004, an article in Rwanda's tri-weekly newspaper, *New Times*, reported on talks between President Kagame and the French Ambassador in which the ambassador is quoted as saying "I have been here for four months to clean up the dirt on the table in order to restore a better relationship with Rwanda" (*New Times*, March 9 2005). Nevertheless, relations continue to fluctuate with frequent diplomatic tensions. For example, tensions were particularly high in March 2004 when investigations by the French anti-terrorist judge Jean-Louis Bruguière re-opened debates about the shooting down of the plane carrying President Habyarimana in April 1994. In April 2005, a representative of the Rwandan government was again accusing the French government of harbouring genocide suspects and not cooperating with the International Criminal Tribunal for Rwanda in Arusha; and calling for French military officials to be prosecuted (*New Times*, 5 April 2005).

⁵ Between 1999 and 2001 there had been diplomatic tension between Italy and Rwanda over the adoption of children (see 'Italy may return Rwandan children' *BBC News*, 12 April 2001; *New Times*, 12-13 April 2004). This was mentioned in connection with Italy's withdrawal by a couple of informants (Fieldwork Diary: 21 April 2004; 25 April 2004).

influenced that decision through lobbying the Irish parliament over the Rwandan regime's governance record.⁶

As this overview demonstrates, behind the aid figures lie deeper issues. On the one hand, speculative correlations may be drawn between aid flows and events in Rwanda and the wider Great Lakes Region. Peaks and troughs can often be observed around key moments in Rwanda's recent history, the most obvious being the genocide with some donors providing substantial amounts of aid in 1994-1995 and others drawing back. Presidential and parliamentary elections held in 2003, marking the end of the political transition process in Rwanda, constitute another period when there was a small upturn in aid flows from many donors. It remains to be seen if this is indicative of a wider trend of increased support following the adoption of the PRSP in 2002, or if it is specifically linked to the election process itself. On the other hand, a general decline in aid can be observed between 1995 and 1997. This may be due to the wind-down in emergency support with the large-scale return of refugees in 1996, but may also be due to emerging donor concerns about the nature of the new regime. As chapter 5 demonstrates, where the recent aid history of Rwanda is considered in more depth, aid was frozen on occasion during this period. Between 2001 and 2002, on the other hand, aid generally began to rise again, which may be linked both to the finalisation of the PRSP mentioned above and to the end of the war with the DRC which had been ongoing since 1998.

On the other hand, drawing such conclusions demands caution. Alternative explanations can be advanced of a more technical nature. For example, one informant attributed a drop in aid levels to attempts to follow GoR procedures such as procurement more closely, which were more time-consuming and led to lower disbursement levels.⁷ The increase in Canada's aid might reflect a rise in the overall domestic aid budget after a prolonged period of cutbacks between 1994 and 2000 and Canada's new engagement with Africa in support of the New Partnership for Africa's Development (NEPAD).⁸ Aid agencies are often less than willing to publicly attribute decreases in aid to politicised events. Often the fluctuations are accounted for in terms of bureaucratic procedures which impact on actual disbursement over a year, particular projects which have been delayed, changes in staffing at a local level or changes in priorities at the donor government level.

Nevertheless, this overview does provide an illustration of tendencies which can be complemented by a closer look at donor programmes, their projections, and how their presence is felt on the ground.

Objectives for Aid: Donor Rationales for Supporting Rwanda

The motivations of donor countries to provide development assistance vary from country to country and may change over time, reflecting particular social beliefs or the political philosophies of governments in power. These varying motivations can

⁶ Comments made by Irish Embassy officials in Uganda; representatives of Concern and Trocaire in Rwanda (Fieldwork Diaries: 19, 20, 21 April 2004).

⁷ Donor representative intervention at presentation of preliminary research findings, Kigali, 7 October 2004.

⁸ Interview, Head of Cooperation, Canadian Embassy, Kigali, 14 October 2003.

be observed in Rwanda within donors' policy histories and their prime objectives under current programmes. From table 3.2 a clear distinction can be observed between those donors who were present before the genocide and whose current engagement in Rwanda stems from this historic presence, often overlaid with recompense for any part they may have played in allowing the genocide to happen; and the donors which have only become involved since 1994. The presence of these latter donors is in direct response to the genocide.

Table 3.2: Donor Objectives in Rwanda

Donor	Policy history	Rationale	Current Objectives
Belgium	Present since 1960s. Bilateral programme resumed 1995. New convention signed 2004.	Former colonial power, historic ties. Priority country for engagement, along with Burundi and DRC.	'Do no harm' approach, working with population rather than government. Poverty reduction and sustainable development.
Canada	Present since 1960s. 1994-1999: humanitarian aid 1999-2003: transition programme. 2004: 10-year programme adopted	Historic/linguistic ties. Africa as focus. Promoting human and sustainable development. Promotion of Canadian values.	Human security: governance, gender equity and reaching the poorest. Rural development as priority under 2004-2014 programme.
France	Present since 1960s. 1994-1999 humanitarian aid Since 2000 return to development projects under 3-year Action Plans.	Largest donor pre-1994, so historic and linguistic ties. Politically constrained by genocide legacy but no intention to withdraw.	Human needs approach - to ensure people have food, health, education. Promotion of French language and culture.
Germany	Present since 1960s. 1995-1997 humanitarian aid & rehabilitation of former projects. 1997-2001 Rwanda was a 'partner country', now a 'priority country'. 2-year programmes	Official rationale is failure of the international community to help Rwanda, therefore deserving of constructive support now. Shifting to MDGs and poverty reduction.	'Do no harm' approach to poverty reduction, working with population rather than government. Reconciliation and reconstruction. Main sectors: governance, health, education, rural economy
Netherlands	Present since 1994. Memorandum of Understanding (MoU) signed 2001.	Strong support post-genocide for reconstruction; rationale for engagement is genocide.	Rwanda as a special case - mission is to contribute to peace, stability and security, and hence poverty reduction.
Sweden	Present since 1994 (country office since 1997). Humanitarian aid up to 1999. MoU signed 2002.	Response to genocide, and desire for more engagement in Africa.	Strengthening governance and capacity for poverty reduction and security.
Switzerland	Present since 1960s. 1994-2001 emergency assistance. Since 2002 support to PRSP under a 3-year programme.	Genocide response constitutes main focus. Now supporting poverty reduction but constrained by past experiences.	Promoting participatory approach and decentralisation; more linked to trade than other donors.
UK	Present since 1994. MoU signed 1999 with 10-year programme - 3-year budget commitments.	Initial engagement was a response to genocide (Rwanda as a special case), shifting to poverty reduction logic.	Poverty reduction & MDGs through institutional strengthening and budget support. Additional focus on education sector.
USA	Present since 1960s. 1994-96 massive humanitarian programme. 1997-2004 programme - annual budget.	No specific strategic interest, but keen to see stability in the region.	Poverty reduction through economic development and improved governance, so MDGs by default.

In terms of objectives, security and stability emerge as key for donors such as the Netherlands and Sweden. There is also a clear transition from emergency support in response to the genocide to more orthodox support for the poverty reduction agenda in line with policy developments globally and in Rwanda itself. However, some consider the attainment of the Millennium Development Goals (MDGs) and support

for Rwanda's PRSP as much more central than others. For example, Canada considers the MDGs as a reference point only, notably because the GoR uses them as such, but not as the lynchpin of its cooperation programme. The USA, while supporting poverty reduction, rarely mentions the PRSP in its documentation. The UK's programme on the other hand is explicitly linked to achieving the MDGs and implementing Rwanda's PRSP. Several donors, such as Belgium, Canada and Germany, were keen to stress that their programmes aimed at supporting the country and the population, rather than the government. Promotion of cultural values also emerges as a theme for Canada and France.

Another factor emerging from table 3.2 is the extent to which Rwanda is considered a priority country for support. The USA is one of Rwanda's top bilateral donors, but Rwanda is not a priority country by any means. In contrast, Belgium, which provides less aid in financial terms, places Rwanda amongst its top recipients for aid (see table 3.3). For most others – the UK, Germany, the Netherlands, Canada, Switzerland and Sweden – Rwanda figures among priority partner countries. This has important consequences for the political engagement of the donor country and often reflects domestic interest in Rwanda and the region, as well as particular development policy objectives such as conflict prevention or poverty reduction.

Table 3.3: Prioritisation of Rwanda

Donor	Importance	Great Lakes Regional Policy
Belgium	Rwanda as 2 nd or 3 rd recipient of aid since 1997 (DGCD 2004). Strong focus of diplomatic attention, with many ministerial visits.	Great Lakes is priority region (DRC is 1 st recipient of aid). Regional framework adopted in 2002 for Rwanda, DRC, Burundi.
Canada	General commitment to Africa, but Rwanda not a high priority country - not amongst top 30 recipients (CIDA 2005: 33). However, Rwanda included on Canada's new list of 25 'Development Partners' for poverty reduction.	No specific regional policy due to limited funds, so concentration on Rwanda. Kigali office also covers Burundi where humanitarian aid provided. Humanitarian aid also provided to DRC.
France	No intentions to pull out, but limited engagement for political reasons. Strategic interests in Africa in general.	No specific regional policy
Germany	Rwanda is among 40 priority countries for long-term engagement. Personal commitment by previous development cooperation minister.	No specific regional policy
Netherlands	Priority partnership country (but on condition of no budget support). Post-1994 years marked by personal commitments of different ministers.	Great lakes is a 'special focus area' with a regional approach to security questions. Rwanda office also covers Burundi.
Sweden	New commitment to Africa. Rwanda is 23 rd on the Swedish International Development Agency's (Sida) list of main recipients and 10 th among African countries (Sida 2003: 10)	Regional approach to conflict resolution, covering Rwanda, Burundi, DRC (Sida 2004b, 2004a).
Switzerland	Priority country (geographical similarities to Switzerland) with 'special programme' status (SDC 2005). 14 th recipient in 2003.	Developing a regional approach - recognising conflict and security as regional; humanitarian aid to DRC and Burundi
UK	Rwanda as 11 th highest recipient in 2002-03 (DFID 2004: 180), and main 'new' country to receive significant increases in funding. Personal commitment by previous development cooperation ministers.	No regional policy initially, although under pressure to develop one from UK civil society by 2003. Programmes developed for Burundi and DRC 2004-05.
USA	Not priority at all, no strategic interest.	No regional policy

As table 3.3 indicates, for Canada and Germany, Rwanda numbers amongst priority countries for poverty reduction and long-term support. The Netherlands and Switzerland, on the other hand, accord Rwanda 'special status'. For both these

donors this reflects a strong desire to engage with Rwanda, but concerns about governance issues prevent full partner status being given. When the UK expanded its programme in 1997, Rwanda was also considered a “special case” for assistance (DFID 1999: 3) but the official rationale for supporting Rwanda has since shifted more firmly to poverty reduction. The other interesting comparison is whether support to Rwanda constitutes a discrete country programme or whether it sits within a broader regional framework. About half these donors have a specific Great Lakes policy, recognising that development in Rwanda cannot be separated from the broader regional context which continues to be severely affected by conflict. Several of these donors provide humanitarian assistance in Burundi and the DRC and are increasingly engaged in supporting political transition processes in both these countries.

One final issue which emerges from this table is the element of personal commitment from particular ministers of development cooperation. In the immediate post-genocide period, ministers from the Netherlands and the UK took a strong personal interest in Rwanda, laying the foundations for lasting programmes. Changes in ministers in these countries have also affected the continuation of programmes, as we shall see in more detail in chapter 7. Representatives from other donor countries also mentioned the personal interest of senior government officials in aiding Rwanda, such as Germany and Belgium.

Support for Rwanda tends to be packaged in terms of reactions to the genocide or commitments to helping one of the poorest countries in the world under the poverty reduction agenda, but donor involvement also often reflects pressure to engage coming from civil society in the home country. While in the UK and the USA there appears to be limited public interest in Rwanda or the Great Lakes Region as a whole, in other countries Rwanda and the Great Lakes are of greater public concern, receiving significant press coverage, Parliamentary questions, and civil society lobbying. Several of the donor countries are home to large Rwandan Diasporas, notably Belgium and Switzerland and to a lesser extent Canada and the Netherlands, where the Diaspora is highly politicised and vocal although often very divided.⁹ The Netherlands’ programme in particular has been affected by a critical civil society lobby which has succeeded in limiting how aid can be delivered and monitors the programme very closely.¹⁰ Civil society in Belgium is also vocal about Rwanda but with less impact on the actual aid programme (see chapter 7). There is limited evidence of significant commercial interests of donor countries in the region but Belgian, Dutch and German companies have some financial stakes in Rwanda.

How Donors Provide Aid: the Instruments

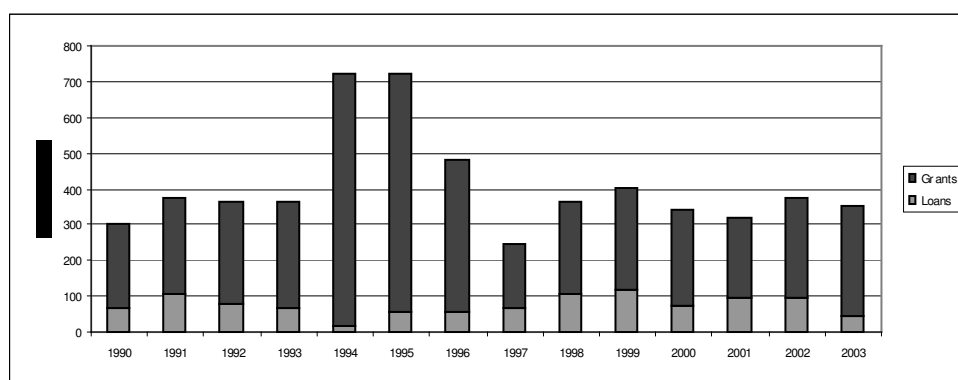
The above discussion demonstrates the degree to which the objectives, rationales and policy priorities of donors differ. The second core issue which distinguishes donors is the way in which they provide aid to Rwanda. Comparing the years 1990-1993 with 2000-2003 shows that overall amounts of aid have not substantially changed (see figure 3.2). Despite the civil war which broke out in 1990, additional

⁹ Several opposition parties to the Rwandan government have been established in exile, with Belgium something of a hub for these (see ICG 2002; Rafti 2004).

¹⁰ See, for example, Cordaid, ICCO, Kerkinactie and Novib (2003)

aid flowed into Rwanda during 1990 to 1993 to support firstly the Structural Adjustment Programme signed with the international financial institutions in 1990, and secondly the peace process after a cease fire was brokered in 1993. In 1992, grants were awarded worth \$283.1 million and loans worth \$78.6 million, giving a total of \$362.6 million.¹¹ In 2002, Rwanda received \$280.7 million in grants and \$95.2 million in loans, giving a total of \$374 million (ESDS International, May 2005). 1994 to 1996 constitute exceptional years for aid flows given the huge amounts of humanitarian relief entering the country, particularly coming from the USA and much of it passing through NGOs and humanitarian relief bodies. The genocide provoked a huge response, but the ongoing reconstruction and development needs of the country have not given rise to a major change in overall quantities of aid in comparison to the pre-genocide period, nor any significant change in the proportion of grants to loans. Nevertheless, as described above, the donors themselves have changed quite significantly, with ‘new’ donors providing considerable aid packages. This suggests that Rwanda might have seen a substantial drop in aid if it had not secured the support of the USA, the UK and the Netherlands in the ten years following the genocide.

Figure 3.2 : Rwanda - Total Official Development Aid 1990-2003 (grants and loans)



Source: ESDS International (2005)

However, there has been a transformation in the main instruments for aid delivery. Donors use a variety of mechanisms, as shown in table 3.4. All provide support through NGOs, some directly through specific projects accounted for within the country programme but undertaken by NGOs (e.g. Belgium and the USA), and some indirectly, undertaken by international NGOs funded from headquarters but not for specific Rwandan projects (e.g. the UK). All also employ technical assistants (TA) and consultants on their programmes to fulfil a variety of tasks. TA accounts for around 20% of aid (ESDS International 2005). The UK, for example, has had a team of short and long-term TA placed within the Ministry of Education since 2000; long-term TA have also been provided to the Ministries of Gender and Lands. These TA particularly aim to bolster institutional capacity and provide policy and planning input. In addition, the UK has also hired a huge number of consultants on short-term missions to assist with policy and planning. Belgium also employs long-term TA,

¹¹ The financial and political support provided by the international financial institutions to the former Rwandan regime, even as the human rights situation was degenerating and plans for the genocide were being laid, are explored in depth by Uvin (1998), Andersen (2000) and Storey (2001).

who are linked to specific projects and who work with Rwandan counterparts. These TA focus more on project management, although capacity building is a key component of their activities. These tend to be non-negotiable elements of a project, although the GoR has a say in who is actually appointed. In general, TA are expected to fulfil a variety of roles, such as providing specialist knowledge, training counterparts and managing projects. Finding TA with good combinations of all these skills is a challenge, leading to debates about the quality of such assistance and particularly whether it leaves a lasting trace.

Table 3.4 : Aid Instruments

Donor	Budget Support	Sector Support*	Projects	Silent Partnership**	Technical Assistance	Support to NGOs
Belgium	No	Possibly in future for health and education sectors	Main instrument	No	TA attached to projects; consultants	Yes
Canada	No	Through Common Development Fund (CDF) for rural sector	Main instrument	Planned with Netherlands on Public Works	TA attached to projects	Yes
France	No	No	Main instrument	No	TA in ministries	Yes
Germany	No	Demobilisation; decentralisation (CDF)	Main instrument	No	Large number of TA	Yes
Netherlands	No	Demobilisation; decentralisation (CDF); possibly in future for justice	Projects under programmes, reducing number	No	Consultants	Yes
Sweden	Yes	Demobilisation; education	Some projects	In education and macro-economy	Consultants	Yes
Switzerland	No	Direct support to health districts; gacaca	Participatory, project approach	No	TA attached to projects	Yes
UK	Yes	Education	Some projects	No	TA in ministries; consultants	Yes
USA	No	No	Main instrument	No	TA in ministries	Yes

* Most donors concentrate on particular sectors. What this refers to is the provision of direct support to the budget of a particular line Ministry, responsible state agency or common donor fund (cf. Chapter 2, pgs. 30-31).

** The term 'silent partnership' refers to one donor giving another donor a mandate to act on its behalf in policy discussions in a given sector.

Of particular significance is the division between donors providing budget support and those concentrating on projects. This is recognised by donors themselves:

As far as cooperation approaches are concerned, the central element of differentiation between the donors, notably within the EU member states, is the question of recourse to direct budget support. (DGCD 2002: 19, translated from French)

Within the total state budget of Rwanda the proportion of external support to the current budget (that is as general budget support) has increased dramatically since 1996 (see table 6.1, page 124). Indeed, budget support since 2000 has accounted for

over half of total foreign grants. This is largely due to the high levels of direct budget support from three major donors – the World Bank, the European Union and the UK – and increasingly from Sweden. However, as table 3.4 indicates, the vast majority of bilateral donors employ projects as their primary instrument, despite the greater push at the international level towards programme instruments in the interests of aid coherence, effectiveness and national ownership. Indeed, only two bilateral donors in Rwanda provide budget support,¹² the UK and Sweden. These donors are heavily involved in thinking around the new aid agenda in general and unsurprisingly their rationale for providing budget support in Rwanda is to strengthen the poverty reduction agenda through reducing transaction costs for the GoR and themselves and increasing national ownership of the development agenda (see table 3.5). At the other end of the spectrum are those donors which are not keen proponents of budget support anywhere, namely the USA, Germany and Switzerland.

Table 3.5 : Budget Support in Rwanda

Donor	BS in general	BS in Rwanda	Reasons for provision or not of BS in Rwanda
Belgium	Exceptional cases	No	Provides forms of BS in other countries (e.g. earmarked for salary support in Burundi) but unable to do so in Rwanda. Accountability is the official rationale but also concerns within the Belgian administration about the GoR and fungibility. ¹³
Canada	Yes	No	Provides BS in other countries but unable to do so in Rwanda due to concerns around accountability given the capacity of the GoR.
France	Yes	No	No BS in Rwanda due to: ongoing dispute between GoR and French administration over outstanding debts; concerns about fungibility (particularly use of BS for military purposes); concerns about accountability to own administration.
Germany	No	No	Prefers project mechanism. Would have problems in Rwanda due to GoR capacity and fungibility, so political and technical reasons.
Netherlands	Yes	No	Would normally provide BS in Rwanda - no technical reason for not doing so - but prevented by Dutch Parliament on account of the GoR's human rights and governance record.
Sweden	Yes	Yes	Provides BS and acts as a 'silent partner' through the UK on education and support to macro-economic policy and planning.
Switzerland	No	No	Not provider of BS on the whole, preferring decentralised aid. Possible provision of SBS hampered by Rwandan engagement in the DRC and governance record.
UK	Yes	Yes	Provides nearly all of its aid as GBS or SBS.
USA	No	No	Does not provide BS on principle due to accountability requirements.

Of particular interest are the donors which might be expected to provide budget support, and are doing so elsewhere, but are not using the instrument in Rwanda, e.g. the Netherlands, Canada, France and, to a lesser extent, Belgium. Two main reasons

¹² Recalling the definitional problems around budget support outlined in chapter 2 (pg. 29), direct budget support includes different types of programme aid, including debt relief and food aid. This section concentrates mainly on general budget support (GBS) (referring to non-earmarked or notionally earmarked aid channeled directly into the central budget of the GoR) and sector budget support (SBS). The term 'budget support' (BS) in this section is used generically to cover GBS and SBS.

¹³ "Aid is said to be *fungible* when Government offsets donor spending on a particular purpose by reducing its own expenditure on the same purpose. For example, donor funding earmarked to health will not increase total health spending if Government reduces its own health spending, and uses the funds thus released for some other purpose" (Foster and Leavey 2001). Fungibility also refers to the situation where aid substitutes for government funding by being used to reduce taxes (van de Walle and Cratty 2005).

are advanced for this: concerns about accountability; and concerns about political governance. Several donor representatives observed that they needed to be able to account for the use of their funds to their own authorities; so needed a clear record of where their money was going. They felt that the administrative capacity of the GoR to manage funds effectively was too weak. There was also a strong concern expressed about fungibility. In theory budget support would be provided to boost GoR capacity to fund core policy programmes, particularly in the social sectors. However, once budget support has been allocated it is hard to track exactly where it goes and whether the funds are used for the stated purpose. In earmarking budget support for poverty reduction activities, other national resources may be diverted to alternative areas, such as defence. Although budget support donors and the international institutions track the GoR's budget carefully in order to ensure that allocations to priority poverty-related sectors are increasing, and that additional resources are not flowing to areas such as defence, it is widely recognised that fungibility is unavoidable (van de Walle and Cratty 2005). For some donors this represents an unacceptable risk in the particular context of Rwanda, related to the second major reason for not providing budget support in Rwanda – political governance.

Rwanda's regional relations, and notably its military engagements in the DRC, were one key concern. Rwanda entered into direct conflict with the DRC in 1998 and did not finally withdraw its troops until 2002. Tensions continue to abound, and several donors feared funding was being diverted to military ends. The other main concern was the GoR's record of alleged human rights abuses and flaws within the democratic process. These reasons were mainly espoused by Rwanda's more 'traditional' partners, e.g. Belgium, Canada, France and Switzerland, although very often the official reason given for not providing budget support was financial management and accountability.

The Netherlands makes a particularly interesting case of a context-specific rationale for the non-provision of budget support. In the years following the genocide, the Netherlands came out as a strong supporter of the GoR. Dutch bilateral aid to Rwanda (like that of Sweden) sits within a regional programme for peace and stability (Minbuza 2004; Uvin, Bourque and Cohen 2004), seeing these as a prerequisite for poverty reduction (see tables 3.3 and 3.4). However, unlike Sweden, the Netherlands does not provide budget support, despite conceding that the technical conditions are right and despite being a strong advocate of the 'new' aid agenda in general.¹⁴ The reason for this is directly attributable to political pressure on the domestic front. From being the GoR's greatest friend, the Netherlands has become a much more critical supporter. Changes in ministers in the Netherlands have impacted significantly on the relationship, with a more critical trend emerging under the present cooperation minister. This is also linked to pressure exerted by a strong NGO lobby which has condemned Rwanda's engagement in the DRC, its human rights record and the democratisation process (Steedman and Andenas 2002; Cordaid *et al.* 2003). Consequently, when Dutch aid was reviewed in the late 1990s, Rwanda did not figure as a priority 'partner country'. Its elevation to this status in 2001 came with the caveat that no general budget support be provided and that a Memorandum of Understanding be signed laying down a series of benchmarks.

¹⁴ Interview, Dutch embassy official, Kigali, 17 March 2004.

The reasons for not providing budget support are therefore both technical and political, specific to Rwanda and related to broader donor policy positions. Budget support and non-budget support donors are often juxtaposed, something which does happen in the Rwandan context as the GoR tries to push its preference for budget support, as we saw in the introduction to this chapter. However, more donors appear to be moving from a discrete project approach towards a more sectoral approach. For example, Canada has been undertaking fairly scattered projects, often short-term, but under its new programme it aims to concentrate aid more closely on the rural development sector. It is considering providing direct support to the Common Development Fund (CDF) for the labour intensive public works programme under the Ministry of Local Affairs (CIDA 2005). This is closer to a Sector-Wide Approach (SWAp) and sector budget support (SBS), and represents a way of getting around constraints on the provision of full budget support.¹⁵ A similar shift is evident in Belgian policy. Belgium may allocate sector budget support in the education sector and is assisting the development of a SWAp in health. Germany also adopted a more programme-style approach in late 2004, and began to provide sector budget support for decentralisation in mid 2005. The Netherlands has been funding local administrations, but now aims to channel this directly to the CDF for decentralisation. It is also planning to grant sector-specific support in the justice sector. Indeed, the Netherlands has been progressively dismantling its project architecture in favour of SWAps, and a representative of the Dutch embassy stated that the institutional support currently given to the justice sector aimed at ensuring the institutions and accountability mechanisms were in place for it to receive sector support in future.

Whether this equates to the idea of moving “along the spectrum from project to sector-wide approaches, and from these to direct budget support” (Commission for Africa 2005: 62) is debatable. Many donor representatives saw these different instruments rather as complementary. What this does indicate, however, is a departure from the ‘traditional’ project approach. The argument about project aid bypassing government systems requires re-thinking. While GoR officials complain that they have limited control over project aid and that donors providing such aid are often untransparent in how funds are spent, as we shall see in subsequent chapters, most donors appear to use some sort of co-management system, negotiate bilateral programmes closely with the GoR and claim to be aligning around GoR priorities as expressed in the PRSP. All donors insist that the GoR is party to all decisions about bilateral projects.

Presence, Policy Dialogue and Conditions on Aid

Nearly all the bilateral donors interviewed in the course of this research were eager to stress how quickly they engaged with the new regime in the wake of the genocide. Both the German and Dutch representatives claimed that their agency was the first to launch bilateral cooperation with the GoR in 1994.¹⁶ At the Round Table Conference organised by the United Nations Development Programme (UNDP) in

¹⁵ See also da Câmara (2001: 28-29) on this point.

¹⁶ Interviews: 1st Secretary and Deputy Chief of Mission, German Embassy Kigali, 30 September 2003; Deputy Head of Mission and Head of Cooperation, Dutch Embassy, Kigali, 10 October 2003.

July 1995, Belgium stated that it was one of the first donors to establish a ‘positive and constructive’ policy in October 1994, then confirm it with a pledge of about \$20 million (UNDP 1995: 96-97).¹⁷ At the same conference, both Austria and Canada stressed how early they had sent missions to Rwanda in 1994 and restarted bilateral cooperation. These affirmations reflect a desire to be ‘seen’ to be supporting Rwanda and its Government. The size of aid packages, the types of instruments used, the way in which donor engagement has changed over time, and the priority given to Rwanda are all crucial to the relationship between the GoR and individual donors. The physical presence of donor agencies in Kigali, the mandate accorded to local offices, and the nature of the interaction of donors with the GoR and other aid actors are also important factors in considering the application of the new aid agenda in practice.

Table 3.6 provides an overview of the institutional system of each donor in terms of where development cooperation sits within the donor government; the presence of the donor in Kigali in the sense of diplomatic and development cooperation representation; and the mandate of these offices. There are essentially two different institutional set-ups outlined here: countries with separate ministries for development cooperation and foreign affairs (e.g. UK and Germany); and those with a semi-autonomous development cooperation agency or department within foreign affairs, often with a separate minister (e.g. Belgium, Canada, France, the Netherlands, Sweden and Switzerland). These different set-ups impact upon policy coherence within donor countries, most importantly between development and foreign policy goals. A number of countries also have autonomous implementation agencies, such as Belgium, France (although this agency is not active in Rwanda) and Germany, which are responsible for implementing projects and programmes. With the exception of Sweden and Switzerland, all these donors have an embassy in Kigali, although some are quite small with limited diplomatic functions, such as the UK and Canada.

Policy dialogue with the GoR and engagement in coordination activities with the GoR and other donors is affected by the number of senior staff an agency has on the ground and the level of devolved authority of local representations. The number of staff greatly impacts upon the capacity of a donor agency to participate in coordination issues. For example, Belgium, Canada, France, the Netherlands and Germany all have representatives of their respective development cooperation agencies located within the embassy often combining diplomatic and development cooperation roles. Development cooperation representatives from Sweden and Switzerland also carry out diplomatic roles in the absence of embassies in Rwanda. There are often only one or two senior development cooperation staff in all of these agencies, although some have additional policy advisors on particular sectors. DFID (UK) has the largest development cooperation office in Rwanda in terms of senior policy and programme staff. As we shall see, the numerous meetings aimed at enhancing collaboration amongst aid actors can be very time-consuming. Those agencies with very limited senior staff often struggle to combine attendance at these events with other programme management and dialogue responsibilities.

¹⁷ In an interview in 1999 in the Rwandan newspaper, *La Nouvelle Relève*, the Belgian Ambassador to Rwanda, Jean Lint, noted that Belgium had re-opened its embassy in September 1994 and was one of the few donors to have constructive relations with the new GoR (28 February 1999).

Table 3.6 : Donor Representation in Rwanda

Donor	Institutional System	Presence in Kigali	Cooperation Mandate
Belgium	Development Cooperation Directorate-General (DGCD) semi-autonomous within Ministry of Foreign Affairs, with separate Minister. Autonomous implementation agency - Belgian Technical Cooperation (BTC).	Full embassy. DGCD staff in Embassy (overview, policy, monitoring). Separate BTC office for project management	Final decisions and policy directed from HQ, but local authority to negotiate projects and programmes.
Canada	Canadian International Development Agency (CIDA), with Minister for International Cooperation within Department of Foreign Affairs and International Trade.	Small embassy (micro-mission). Cooperation attaché in embassy. CIDA representatives in separate office.	Decentralised funds. Most policy decisions made on ground, then transmitted to HQ.
France	Directorate-General for International Cooperation and Development (DGCID) Autonomous implementation agency – French Development Agency (AFD)	Full embassy. 2 cooperation staff located in embassy to monitor projects. No AFD present.	Embassy draws up plan of action, approved by HQ where final decisions made. Some control over decentralised credit envelope, managed locally.
Germany	Federal Ministry for Economic Cooperation and Development (BMZ), Separate from Ministry of Foreign Affairs. Autonomous implementing agency – German Technical Cooperation (GTZ). Also have KfW Development Bank (financial support) and German Development Service (DED) (technical assistance)	Full embassy. Representatives of BMZ in embassy. Separate GTZ office and DED present. No KfW.	Decisions effectively taken at HQ level but on advice of embassy. Bi-annual negotiation of programme through bilateral talks.
Netherlands	Development Cooperation under Ministry of Foreign Affairs.	Full embassy. Head of Cooperation and additional staff within embassy.	Devolved authority. Own budget and remit to spend at will; Parliament approves overall policy.
Sweden	Swedish International Development Agency (Sida) is semi-autonomous agency reporting to Ministry of Foreign Affairs.	No embassy (section of Nairobi, Kenya). Sida represented on the ground, with de facto diplomatic status in absence of embassy. Small office.	Delegated authority but no decentralised budget in Rwanda.
Switzerland	Swiss Agency for Development and Cooperation (SDC) under Ministry of Foreign Affairs	No embassy (nearest: Nairobi, Kenya, but Kigali SDC office not under Nairobi embassy). Representation of SDC on ground, with limited staff, plays diplomatic role.	Fully devolved authority; decentralized programme. Budget and broad orientation from HQ, as well as restrictions, but responsibility for negotiations and implementation.
UK	Department for International Development (DFID) separate to Foreign & Commonwealth Office (FCO – Foreign Affairs)	Small embassy with limited functions (Kampala, Uganda is nearest full embassy). DFID office, with several sectoral advisors and a large body of programme support staff.	Fully devolved office since 2003. Overall policy set in London, but country programme and budget managed in Rwanda.
USA	United States Agency for International Development (USAID) is an autonomous federal agency, receiving guidance from State Department.	Full embassy. Separate USAID office, employing over 60 staff.	Budget decided at HQ level; country office allocates budget to programmes with HQ approval.

The mandate for negotiation that these staff have is also important. Those agencies with devolved authority have the greatest flexibility with regard to budget allocation, disbursement mechanisms and engagement on policy matters. This can

allow considerable flexibility, particularly to fund activities at short notice (da Câmara 2001: 21, 29) or even to plug gaps in other donor programmes. An example of this is when DFID stepped in to help the French distribute textbooks when their own funding ran short. At the same time, this does not render field offices independent of policy directives from headquarters. However devolved an office's authority may be, it will still be subject to central decisions. As mentioned above, this is the case for Dutch provision of budget support. Flexibility in management and accountability arrangements for all donors tends to be minimal.

While difficult to judge and based largely on anecdotal evidence, it is worth noting the nature of different donors' presence in Rwanda. This is often disproportionate to budgets and activities. Some donors, such as the UK and the Netherlands, together with the World Bank and European Commission, have a high *political* profile, are engaged closely in policy dialogue at a high level with the GoR or are working mainly with government institutions. Indeed, few people outside of Government seem aware of what the UK is doing, given its lack of visible projects and its policy of not 'flying flags'. Conversely, there are those donors with a high *cooperation* profile, such as Germany, Belgium, the USA and Switzerland whose projects are advertised widely in the press or via road signs and who may have a large number of technical assistants in the field. During the months spent researching this topic in Kigali, Belgium, Canada and Germany appeared to have the lowest profile in terms of their presence in large public seminars and conferences. Finally, there is often a marked contrast in terms of public profile and dialogue in proportion to aid quantities. The following chapter on the coordination history of Rwanda outlines how certain donors are more likely to make politicised statements about Rwanda without necessarily maintaining a large presence in the country nor providing high amounts of aid. During fieldwork observations, representatives from Switzerland appeared to be very present in joint forums and were often quite vocal, despite their limited budget.¹⁸ By contrast, the USA – one of Rwanda's largest bilateral donors – does not appear to engage in overt political dialogue with the GoR. At the same time, most donors were keen to stress that they undertook behind-closed-doors dialogue and negotiation with the GoR, a point also mentioned by da Camara (2001: 25).

As far as conditions attached to programmes are concerned, when asked about this nearly all bilateral donors stated that they did not attach conditions to their aid. Nevertheless, each donor has in place a range of instruments which frame and define their relationship with the GoR. These take the form of formal conventions and Memoranda of Understanding (MoU), specific bilateral negotiations, country strategy papers and programmes. Table 3.2 above shows that the Netherlands, Sweden and the UK have all signed MoUs with the GoR which are subject to annual reviews. This represents a new type of bilateral convention, laying down mutual commitments of the partners and outlining progress indicators or 'benchmarks' against which to assess progress. These benchmarks cover both poverty-oriented policies and social and political governance issues. We will consider the UK's MoU in more depth in chapter 7. For 2002 and 2003-2004 independent joint reviews of these MoUs were conducted and both joint and country-specific recommendations

¹⁸ This point was raised by one GoR informant, who was frustrated about Swiss governance demands on aid despite their relatively small aid package (interview, Rwandan Ministry of Foreign Affairs, 8 December 2003).

were made (see Steedman and Andenas 2002; Killick, Katumanga and Piron 2005). Switzerland is also considering signing an MoU along similar lines and joining the joint review process. Belgium and Germany, for their part, negotiate their programmes in bilateral discussions. Switzerland has an overarching convention, a 3-yearly programme framework and a bilateral agreement for each individual project. This wide range of systems employed by donors to frame their bilateral relations represents a considerable burden for the GoR which has to devote time and resources to negotiating individual programmes.

The application of conditions related to development activities is complex. Although an overall country strategy may carry specific conditions, such as GoR adherence to good governance or to poverty reduction, actual activities are often conditioned in a different way. Belgium provides a good example of this. The overall programme is framed by a Convention, and a Country Strategy Paper outlines the broad programme framework for bilateral relations. This includes some reference to political conditions such as progress on democratisation and regional security. Formal bilateral discussions take place to plan programme activities, referred to as a Joint Commission (*Commission Mixte*). Although there was no Joint Commission in Rwanda between 1993 and 2004, informal bilateral discussions did take place, with the Belgians emphasising their 'constructive dialogue' with the GoR around governance issues. Actual projects, through which Belgian aid is delivered to Rwanda, are somewhat divorced from this political framework. Each project is subject to a project agreement which outlines the responsibilities of both partners, mainly focused on technical inputs and tangible outcomes. Individual projects are subject to joint management and evaluation, with regular meetings taking place between partners.

Budget support is subject to a different set of conditions. As subsequent chapters demonstrate, budget support is more political than projects, and tends to require high-level policy dialogue, notably around public financial management issues. However, given the questions of fungibility and accountability mentioned above, budget support is often subject to political conditionality also.

Before addressing this point, it is worth taking a brief look at the other donor agencies in Rwanda which provide budget support, namely the World Bank, the IMF and the European Commission (EC). Although our focus is on bilateral donors, it is impossible to consider budget support questions (as well as conditionality and coordination) without taking these institutions into account. This is particularly important because budget support donors like the UK and Sweden draw upon analyses of the IMF and World Bank when assessing financial accountability parameters. Moreover, these agencies, along with the UNDP, are intimately involved in the coordination and harmonisation system, as we shall see in chapter 4.

Table 3.7 provides an overview of the programmes, aid instruments and conditions employed by the EC, the World Bank and the IMF. These programmes are crucial to the GoR as they provide large amounts of aid through grants and loans to the central budget. Indeed, the EC and World Bank (through the International Development Association¹⁹) have been two of Rwanda's most important donors

¹⁹ The International Development Association (IDA) is the section of the World Bank which supports developing countries through the provision of interest-free loans and grants. (see <http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0,,menuPK:83991~pagePK:118644~piPK:51236156~theSitePK:73154,00.html>, accessed 23 November 2005)

since 1994 (see Appendix 3).²⁰ As table 3.7 indicates, since the late 1990s, these agencies have aligned their support around Rwanda's poverty reduction process. They also provide long and short-term technical assistance to the Ministry of Finance, line ministries and government agencies. The World Bank in particular has undertaken various in-depth analyses of issues in Rwanda, such as on post-conflict reconstruction (World Bank 1998b) and education (World Bank 2004).

Table 3.7: Multilateral Aid to Rwanda

Donor	Aid Instruments and Programmes since 1994	Framework and Conditions on Aid
EC	European Development Fund (EDF) 6&7 (1994-2000, but some projects ongoing to 2005). EDF 8 (2000-2006) EDF 9 (2003 to present) Regional programmes Mixture of budget support, programmes and projects	Earlier programmes on rehabilitation, infrastructure in particular. Since 2000 support to: poverty reduction; institutional support; rural development; justice and governance. Indicators taken from PRSP; annual monitoring. Two instalments – fixed and floating (triggered by PRS Progress Report)
WB	Emergency Credits (1995, 1997); Economic Recovery Credit (1999-2001) Institutional Reform Credit (2002-2004) Poverty Reduction Support Credit (PRSC) (2004-2006) Other programmes: Human Resources; Common Development Fund; HIV/AIDS Regional programmes (e.g. demobilisation, trade)	Programme framed by Country Assistance Strategies (1998 and 2002). Shift since 1998 from recovery to poverty reduction support PRSC linked to PRSP. Triggers for disbursement include macro-economic performance and governance, pro-poor budgeting and progress on the PRSP (including floating instalments linked to annual PRS Progress Report).
IMF	Emergency post-conflict loan (1997) ESAF/PRGF (1998-2002) PRGF (2002-2005)	Macro-economic stability and performance; twice-yearly review process. Rwanda granted a number of waivers on performance criteria in 2004

The EC is quite a different actor to the World Bank and IMF, acting to some extent like a discrete bilateral donor. Indeed, the first question posed to me when interviewing the head of the EC Delegation in September 2003 was whether I considered the EC to be a multilateral or a bilateral donor. It has its own ambassador, its own budget and its own programme; it also provides only grants, not loans like the World Bank and IMF. It also has a sizeable delegation in Rwanda which has a considerable amount of devolved authority. On the other hand, its funds derive from a range of other donors (the European Union member states) and decisions about funding are subject to a 'board' of members as with the World Bank and IMF.²¹ It therefore has the trappings of a multilateral agency, and it is placed in this category in this thesis. In contrast to the EC, the IMF and World Bank representations in Rwanda are small,²² reliant upon frequent external missions for programme preparation, discussion and evaluation, with decision-making power resting in

²⁰ No information is provided in Appendix 3 on IMF support. However, since 1998, the IMF has approved two funding arrangements for Rwanda: an Enhanced Structural Adjustment Facility (ESAF)/Poverty Reduction Growth Facility (PRGF) worth \$105.3 million (from 1998 to 2002); and a PRGF worth around \$5.9 million (from 2002 to 2006) (see <http://www.imf.org/external/np/tre/tad/exfin2.cfm?memberKey1=820>, accessed 23 November 2005).

²¹ The European Union in its broader manifestation fulfils a number of different roles in Rwanda, covering both technical cooperation and diplomatic activity. The role of the European Union in relation to coordination and harmonisation questions is explored in Hayman (2005c).

²² The African Development Bank (AfDB), while providing important quantities of aid to Rwanda, does not have any representation in Rwanda beyond a small project management unit based in the Ministry of Finance.

Washington. This is a source of some frustration for both the GoR and other donors. Problems arising within one project cannot be dealt with swiftly, often affecting the entire portfolio, as communication channels tend to be slow. In addition, the frequent, often large-scale missions arriving periodically throughout the year require both the GoR and other donors to fit in with their timetables.

In interviews, GoR officials expressed both satisfaction and frustration with multilateral aid. On the one hand, multilateral agencies provide more long-term predictability in their funding, are willing and able to undertake large investment projects, such as in infrastructure, which many small bilateral donors will not support, and are less affected by political fluctuations.²³ On the other hand, aid from multilaterals is subject to burdensome conditions and tends to be hampered by long, slow procedures. Bilateral aid is generally seen as more flexible and more directly negotiated.

Returning to conditions attached to budget support, one issue affecting Rwanda is the lack of consistent messages coming from budget support donors. Different triggers and mechanisms are used by budget support donors for disbursing. The UK, for example, provides four quarterly instalments under three-year rolling programmes. Sweden's allocation is decided annually and provided in one payment in the first half of the year. The EC provides two instalments over the year – one fixed and one floating. These have often been subject to administrative delays, sometimes disbursed on the 31st of December of a given year, leading to considerable criticism from the GoR. The World Bank's support revolves around the new Poverty Reduction Support Credit (PRSC) mechanism for which the first disbursement was approved in October 2004. Although the criteria for disbursement differ from donor to donor, there has been a strong element of cross-conditionality with regard to macro-economic performance. The existence of an IMF agreement signed between the IMF and the GoR has been a necessary condition for most budget support donors.²⁴ This has often caused problems, as in 2003 and 2004 when Rwanda faced difficulties in reaching an agreement with the IMF. Both the EC and the UK have demonstrated signs of moving away from cross-conditionality, allowing them to disburse funds on the basis of a positive assessment by the IMF even if a full agreement has not been reached. Another common trigger for disbursement amongst these donors is the Poverty Reduction Strategy Progress Report (PRS-PR), e.g. for Sweden, the EC and the World Bank. Delays in producing this report in 2004 hampered disbursements.

In addition to these technical conditions, political conditionality is also very important, particularly for the UK and Sweden, and less so for the EC. Officially, the World Bank and IMF do not use political conditionality so funds are never explicitly withheld for political reasons. However, there is often an implicit link between macro-economic performance and governance questions. In 2003, for example, the GoR's overspent on its budget, put down to the election process and to money being

²³ The multilateral agencies, including the EC (but with the noteworthy exception of the United Nations as a system, although individual UN agencies seem less affected), do not come under the same pressure as bilateral donors over their history in Rwanda before the genocide and any role they may have played during the genocide. There is rarely any mention made by GoR officials of the past support of these agencies for Rwanda in sharp contrast to several bilateral donors, despite studies highlighting how multilateral aid may have helped fuel the civil war and genocide (see for example Andersen (2000); Storey (2001)).

²⁴ Minutes of the Budget Support Harmonisation Group, 17 December 2003.

channelled into a large hotel project, which contributed to the GoR going off-track with the IMF (IMF 2004: 10). Both Sweden and the UK, on the other hand, have explicit benchmarks in their MoUs regarding political progress, civil society, human rights and Rwanda's regional relations. In 2004, Rwanda's belligerent tone towards the DRC and its alleged incursions into DRC territory were one reason why UK and Swedish budget support instalments were disbursed late in 2004 and early 2005. The message being sent to the GoR through this delay was undermined to some extent, however, by the continued disbursement of aid from both the World Bank and EC.

Another major factor with regard to budget support is the extent to which donors using this instrument should be involved in national budget policy. In 2004 there was considerable debate around the desire expressed by budget support donors to have more involvement in the preparation of the budget. The EC and UK were frustrated that the World Bank seemed to have more privileged access to the Ministry of Finance (Minecofin) on budget issues despite providing fewer resources. This led to demands for Minecofin to consult donors more before submitting the budget to Parliament, evoking strong reactions from the GoR.²⁵ We will return to this in the next chapter.

Conclusion

The introductory paragraphs on support for Rwanda on the Swiss and UK websites provide a very contrasting picture:

At the end of 2004, Switzerland decided to extend for another four years (2005-2008) a special cooperation programme with Rwanda even though the country does not meet certain criteria for regular bilateral development cooperation. These criteria relate to political conditionality principles notably in human rights, democratization and relations with neighbouring countries. (SDC website, November 2005)²⁶

Rwanda has made extraordinary progress since the 1994 genocide... The country is at peace, the economy is stable and growing at over 6% and a Poverty Reduction Strategy focused on the Millennium Development Goals has been agreed. Access to quality education and health services is increasing rapidly and the incidence of poverty is declining... DFID is Rwanda's largest bilateral partner with a programme of some £46 million in 2004/05, two-thirds of which is provided as budget support. (DFID website, November 2005)²⁷

These two quotes capture two very different perspectives on support to Rwanda, and provide insight into the challenges facing the GoR in dealing with donors. Since the adoption of the PRSP in 2002, a general consensus has been reached amongst bilateral donors and multilateral agencies on the need to support Rwanda's poverty reduction strategy in a more coherent fashion. However, this chapter has demonstrated the range of variations amongst just some of Rwanda's donors. Although the rationale for supporting Rwanda is increasingly expressed in terms of

²⁵ Observations from World Bank meeting on the PRSC, 5 October 2004. Interviews: Secretary-General of Minecofin, 4 May 2004; EC official, 29 April 2004.

²⁶ <http://www.sdc.admin.ch/countrydoc.php?userhash=35782872&l=e&navID=117> (accessed 23 November 2005)

²⁷ <http://www.dfid.gov.uk/countries/africa/rwanda.asp> (accessed 23 November 2005)

assisting poverty reduction and attaining the MDGs, for many donors historical relations or a response to the genocide provide the background to their involvement.

The comprehensive, comparative analysis of OECD donors conducted by Baaré *et al.* in 1999 captured emerging trends between ‘new’ and ‘traditional’ donors. However, this analysis needs to be revisited. ‘New’ donors such as the Netherlands have demonstrated serious concerns about engaging in Rwanda, and Norway and Ireland have pulled back completely. Even the UK, one of Rwanda’s most staunch supporters, is demonstrating growing concerns about governance, and this is now impacting upon its budget support programme. At the same time, a number of Rwanda’s ‘traditional’ donors are showing signs of re-engaging after years of fluctuating support. This reflects personal commitments, political priorities and strategic interests.

The differences amongst donors cover a huge number of areas, including institutional systems, accountability mechanisms, aid instruments and country set-ups. While many of the choices made by donors are determined by political perspectives on the GoR and Rwanda more generally, this should not be exaggerated. Choices about increased budgets, particular aid instruments or sectors to support may be determined by Rwanda-specific factors, but they may also point to broader trends within the wider programme of that particular donor. Debates about budget support are illustrative of this. While a donor like the Netherlands is constrained from providing budget support by the specific political environment in Rwanda, others, such as Germany or the USA, tend to be reluctant to provide budget support anywhere. Consequently, the choice of instrument is not necessarily determined by Rwandan circumstances but may reflect changes on the domestic front of a political and technical nature, aid philosophy and sectoral interests. This chapter demonstrates that each donor has a very particular way of working, channelling funds in ways deemed most pertinent and efficient, through existing networks in what are its own priority areas. These issues will be revisited in more depth when we come to analyse the cases of Belgium and the UK in chapter 7.

As the logic of assisting a country emerging from crisis gave way to one of supporting one of the world’s poorest countries to implement a poverty reduction strategy, debates around aid have surfaced in Rwanda which resonate strongly with the global aid agenda. There have been transformations over the last five years in the ways donors work, with several donors providing budget support and more and more donors applying sectoral approaches in tune with the GoR’s own programme. Although projects continue to be the most common instrument, project management systems are changing with increased government-to-government dialogue. Despite their differences, donors are seeking to improve the effectiveness of aid through enhanced coordination and harmonisation of policies and procedures, as highlighted in the citation from the GoR-donor meeting of 2002 given in the introduction to this chapter.

From Global to Local Frameworks: Coordination, Harmonisation and Alignment in Rwanda

Introduction

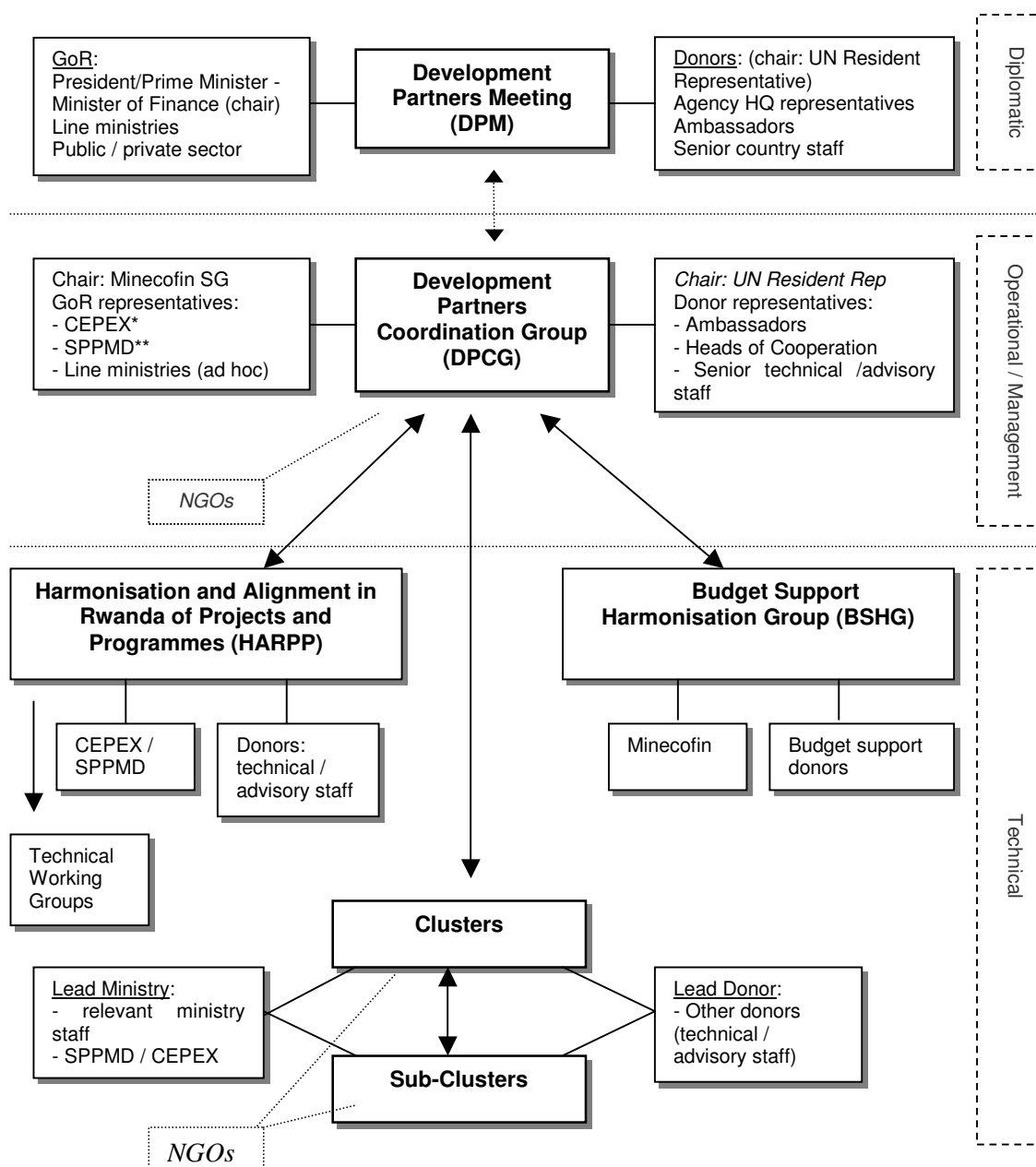
Despite the diversity in the aid policy and practice of donors in Rwanda, a great deal of collaboration is evident on the ground amongst these agencies but also with broader aid actors, including the GoR, multilateral agencies and civil society. This chapter considers how the new principles on coordination, harmonisation and alignment are translated into practice through an exploration of the different mechanisms for improving aid coordination at various technical levels. This provides considerable insight into the reality of applying the new aid principles in a country like Rwanda, highlighting issues such as ownership of the coordination process, the administrative burden on both the GoR and donors of coordination and questions of capacity. It also highlights where there are differences in terms of donor engagement and perspectives.

The data draw primarily on first-hand observations and interviews conducted in Rwanda between September 2003 and October 2004, as well as minutes of meetings and documentation from 2002 to 2004. By this time, aid effectiveness was high on the international aid agenda following the Monterrey Consensus and the Rome Declaration. By the end of the fieldwork period, preparations were underway for the Paris Forum on Aid Effectiveness held in March 2005, placing pressure on aid agencies to demonstrate progress in this domain. This period in Rwanda therefore saw considerable debates around aid coordination – what it meant in practice, who should be leading, and the role of different aid instruments and actors. The first part of the chapter describes the coordination framework in Rwanda as observed in 2003-2004; we then go on to analyse several of the issues arising, focusing on the harmonisation of budget support and different perspectives on coordination.

The Aid Coordination Architecture in Rwanda: An Overview

In 2004, a complex web of inter-related committees and coordination groups framed the aid system in Rwanda (see figure 4.1). This consists of three main levels, each of which involves a range of internal and external actors and serve specific purposes. The Development Partners Meeting (DPM) represents the highest level of interaction between the GoR and donors. This has its roots in the Round Tables organised by the UNDP in the aftermath of the genocide, as well as a series of meetings, held in Europe in 1997, 1998 and 1999, which brought the GoR and donors together to debate increased direct support for the GoR. In 2000 the first of these was held in Rwanda, and it has subsequently become an annual event, with the exception of 2003 when the election process disrupted its preparation. We will explore the history of these meetings in chapter 5.

Figure 4.1 Aid Coordination Architecture in Rwanda in 2004



* CEPEX: Central Bureau for Public Investments and External Funding (Minecofin)

** SPPMD: Strategic Planning and Poverty Monitoring Department (Minecofin)

The DPM is essentially a diplomatic instrument, bringing together senior officials from donors countries - cooperation and foreign ministers and senior civil servants responsible for Africa from agency headquarters, as well as country-based ambassadors and heads of cooperation - with the highest authorities in Rwanda, represented by either the President or the Prime Minister and chaired by the Minister of Finance. Having grown out of the pledging meetings of the Round Table, it has always had both a technical and political side. It is a chance for the GoR to present its development programme to donors, to showcase progress and solicit pledges of support, as well as providing an occasion for issues of a more political nature to be

aired. The DPM often includes donors who do not have an official bilateral presence in Rwanda, but who support it through multilateral institutions and NGOs, such as Austria, Denmark, Egypt, Ireland, Italy, Norway and South Africa. These meetings are also attended by international and local NGOs and representatives of Rwanda's productive sector where appropriate. For example, the December 2004 DPM focused on raising support for the water and energy sectors and so involved representatives of Rwandan public and private enterprises active in this domain.

The importance placed by different bilateral donors on participating in these annual partnership talks has changed over the years. In 1995 and 1996 a number of ministers of development cooperation attended the Round Table meetings, such as from Ireland, Belgium and the Netherlands in January 1995, often accompanied by large delegations. In contrast, the senior official from the UK at the Round Tables was the East Africa regional officer. However, at the London meeting in July 1999 many DFID officials were present and the meeting was chaired by the British Secretary of State for International Development. By the DPM of December 2004 in Kigali, there were no senior donor officials present beyond ambassadors to Rwanda and a few civil servant representatives from headquarters.¹

The second level – operational/management – consists of the Development Partners Coordination Group (DPCG) which acts as an in-country forum for policy dialogue and information exchange on technical matters and partner activities. The DPCG was set up immediately after the DPM of November 2002, holding its first meeting on 18 November 2002. When it was established its primary objective was to discuss feedback from 'cluster' leaders on sector activity and matters of common concern. The 'cluster' system was proposed in 2002 as a way of improving coordination around sectoral priorities of the PRSP (Minecofin 2002a), as we shall see below. Participants to the DPCG include donor heads of cooperation, ambassadors or senior embassy or cooperation programme staff.² This group met every two months at first, then monthly from October 2003. These meetings are regularly attended by nearly all the main OECD bilateral donors, as well as representatives from many of the United Nations agencies present in Rwanda. The World Bank and IMF attend less frequently, and on the bilateral side the French have only appeared rarely.³ A major issue throughout the first year of its existence was whether the DPCG should involve just donor representatives in order to allow donors to thrash out particular issues before presenting them to the GoR. However, by March 2004 the DPCG had come to be co-chaired by the UN Resident Coordinator and the Secretary-General of the Ministry of Finance (Minecofin). Over time, feedback on cluster progress and debates about coordination in Rwanda have come to be overshadowed by information-sharing on a wide range of topical issues of mutual interest, such as the election process in 2003, NEPAD and the African Peer Review Mechanism throughout 2004, and the Development Partners Meeting and the

¹ This cannot be attributed to a lack of importance placed by senior officials on attending this meeting alone; the frequent date changes in the months preceding this event may have impacted on the availability of senior officials.

² Some donors, such as Belgium and Germany, tend to be represented at the DPCG by the ambassador. Others, such as the UK, are represented by senior cooperation staff. This may be down to DFID having more senior programme staff in country than other donors, who are stretched more thinly. However, this may also be indicative of a difference in whether the DPCG is considered to serve more of a technical or diplomatic role.

³ Participant lists from 12 out of 17 DPCG meetings held in 2003 and 2004.

Great Lakes Conference in 2004. The DPCG also provides a forum for information exchange and debate on donor activities, such as joint reviews, evaluation missions, consultancies and studies.⁴

Answering to the DPCG – the technical level – are two technical working groups, the Budget Support Harmonisation Group (BSHG) and the Harmonisation and Alignment in Rwanda of Projects and Programmes (HARPP) group, and the sectoral ‘clusters’. The BSHG started out as a separate body called the Rwanda Harmonisation and Alignment Initiative (RHAI). This was initiated by a number of agencies⁵ in response to GoR requests for donors to increase “alignment of their assistance in support of Rwanda’s Poverty Reduction Strategy and achieve greater harmonisation of their practices and procedures” (RHAI 2003: 1) and linked to recommendations made by the Strategic Partnership with Africa (SPA), which had undertaken an analysis of coordination issues in Rwanda in October 2002 (SPA 2002b). In November 2003, the RHAI adopted a ‘Partnership Framework for Harmonisation and Alignment of Budget Support’. At this point the RHAI was transformed into the BSHG with the purpose of overseeing the implementation of the Framework under the aegis of the DPCG. We will return to this below.

Largely as a response to this initiative, the HARPP was established in June 2004, foreseen as a “technical and procedural working group for project support donors” under the DPCG.⁶ This initiative was primarily aimed at project donors, but it was swiftly realised that budget support donors should also be involved, given that most of these were also undertaking projects and that it was impossible to draw a clear dividing line between projects and programmes. The aim was to create a space for concrete discussion on the practicalities of coordination for which there was limited scope within DPCG meetings.⁷ The overarching objective was to reduce transaction costs for both the GoR and donors throughout the project cycle (design, implementation and evaluation), and to explore the possibilities of establishing basket funds, aligning projects with the GoR budget calendar and GoR priorities, and developing common recruitment principles. Small working groups were established to look at these various issues.⁸ HARPP meetings are attended mainly by technical and donor advisory or programme staff – with Rwandan counterparts rarely present despite being invited – creating an informal atmosphere of open discussion. During 2004, the main actions of the HARPP were to establish terms of reference and to draft a partnership framework for the harmonisation of projects and programmes, laying down partnership principles and progress indicators.

The ‘clusters’ constitute the main instrument of technical coordination in Rwanda. The system as originally foreseen involved eight cluster groups, each with a lead donor and a lead line ministry (see table 4.1). The role of the clusters was to support the sectoral planning process of GoR ministries, facilitate the debate around harmonisation and advise the GoR, while also coordinating amongst donors to avoid duplication.⁹ Terms of reference for the clusters were presented in November 2002

⁴ Source: minutes of DPCG meetings from 2003 and 2004.

⁵ The RHAI was chaired by the UK and the European Commission (EC) and included representatives of Belgium, Canada, France, IMF, the Netherlands, UNDP, Sweden and the World Bank.

⁶ Minutes of DPCG meeting, 3 June 2004.

⁷ Minutes of HARPP meeting, 24 September 2004.

⁸ Minutes of HARPP meeting, 1 June 2004.

⁹ Although the clusters are presented as something of a new idea in the literature around this time, there is a historical precedent in Rwanda to these, namely the thematic groups established during the

which outlined specific tasks for lead ministries and donors, with the ministry side responsible for ensuring sector-wide consultation, information dissemination and guarding against duplication and overlap, while the donor side was responsible for coordinating donor interventions and interests and presenting them to the GoR, as well as advising the ministry on sector strategies.¹⁰

Table 4.1 ‘Clusters’ Groups identified in 2002

Cluster	Governmental institutions	Lead Ministry	Lead Donor
Agriculture, rural development, land and environment	Ministries of: Agriculture, Land, Infrastructure, Local Affairs, Gender	Ministry of Agriculture	World Bank
Infrastructure and ICT	Ministries of: Infrastructure, Commerce, Land, Gender	Ministry of Infrastructure	European Commission
Social Sector	Ministries of: Education, Health, Gender, Youth, Local Affairs, Infrastructure, Public Services	Ministry of Education	DFID
Human Resources and Capacity Building	Ministries of: Public Services, Education, Local Affairs, Gender	Ministry of Public Services	Sida (Sweden)
Private Sector, Industry	Ministries of: Commerce, Agriculture, Infrastructure, Gender	Ministry of Commerce	USAID
Governance	Ministries of: Local Affairs, Internal Affairs, Gender, Justice, Foreign Affairs, Defence, Gender, National Unity and Reconciliation Commission, National Commission on Human Rights, National Electoral Commission, Constitutional Commission	Ministry of Local Affairs	UNDP
Common Development Fund (CDF)/ Decentralisation	Ministries of: Local Affairs, Public Services, Land, Agriculture, Infrastructure, Gender	Ministry of Local Affairs	Netherlands
HIV/AIDS	Ministries of: Health, Education, National HIV/AIDS Commission, Youth, Local Affairs, Gender, Defence	Ministry of Health	USAID

Source: Adapted from PRSP Progress Review 2003 (Minecofin 2003b: 22-23)

In addition to this system, it is worth mentioning a number of ad-hoc initiatives which fall loosely under the ‘coordination’ rubric, but do not constitute a part of the framework outlined in figure 4.1. Firstly, the European Commission (EC) hosts two

Round Table process in areas like education, food security, population, justice, child rights and private sector development. These involved representatives from the GoR, civil society, NGOs and donors and were supported by the UN. Some groups, such as education, child rights and justice, were more active than others (UNDP 1998:33). Some thematic groups were apparently involved in preparing aspects of the PRSP (interviews: UNDP official, 16 April 2004; Oxfam Rwanda, 28 November 2003). Moreover, this concept dates back at least 20 years. Cassen (1994: 182) mentions sector sub-committees being set up in Kenya in the 1980s involving donors and chaired by Government “to harmonize aid and government activities.” Whittington and Calhoun (1988) also mention calls for forming sectoral ‘sub-groups’ in Sudan in 1983 involving Government and donors to monitor implementation of the economic recovery programme.

¹⁰ ‘Terms of Reference for Sector Facilitation Ministries and Lead Donor Agency’. Presentation to the Third Partnership Talks, Kigali November 2002.

regular meetings: a weekly meeting of the heads of mission of the European Union (EU) member states which addresses diplomatic issues; and a monthly meeting of EU heads of cooperation which discusses coordination issues and the EC development programme in Rwanda (Hayman 2005c). As an umbrella for member states, the EU has on occasion undertaken joint démarches and produced joint statements, for example in response to Rwanda's Parliamentary report on genocide ideology in August 2004 (EU 2004). A joint statement was also presented at the December 2004 DPM by the Ambassador of the Netherlands representing the EU Presidency of the time. Secondly, a number of donors publicly present portfolio reviews of their projects and programmes, for example the EC and African Development Bank (AfDB) in 2004, to which other interested donors and civil society representatives are invited. Although these do not constitute coordination activities *per se* they do allow a public exchange of information about donor activities. Along similar lines, the regular workshops and seminars at which GoR policy papers and reports are discussed, to which donors and NGOs are invited, facilitate the coordination of activities and debate between actors. One example of this was the meeting organised to launch the Poverty Reduction Strategy Progress Report process in April 2004. Finally, a number of embassy officials come together to discuss the small project grant programmes run by many embassies which are separate from their official development cooperation programmes.¹¹

However, although this system appears coherent and well structured, and much progress has been made since 2002, a large number of issues remained unresolved at the time this research was conducted. Questions abounded about responsibility, participation, accountability, capacity, control and ownership, not just between the GoR and donors, but also amongst donors. There were also very different perspectives on coordination. In order to provide an insight into the realities of coordination, we look first at the clusters in practice before considering issues specific to the harmonisation of budget support.

Coordination in Practice: The Clusters

While there was initial enthusiasm for the cluster system following its establishment, beyond an initial flurry of meetings in December 2002 and January 2003 the clusters were generally slow to get off the mark. Little real progress was made until 2004, when new dynamism was pumped into the system. Several factors explain this. The cluster system is intimately connected to the PRSP. A Poverty Reduction Strategy Progress Report (PRS-PR) is prepared annually to monitor the implementation of the PRSP. As we saw in the previous chapter, for some donors, such as the EC and World Bank, the information in this document is a necessary trigger for the disbursement of funding. The PRS-PR outlines progress made in priority areas of the PRSP, e.g. in the rural development and social sectors and on macro-economic stability. At the DPM of 2002 it had been recognised that, having adopted a sound PRSP, the GoR now had to translate this into sound sector plans. By 2003, a Sector-Wide Approach (SWAp) had been adopted in the education sector and the concept was to be replicated across the administration. For this the Strategic

¹¹ Interview, US Embassy official, 6 October 2004.

Planning and Poverty Monitoring Department (SPPMD) of Minecofin produced a set of 'Guidelines for the development of sector strategies and decentralised plans', subtitled 'From the project approach 2003 to the sector approach 2020' (Minecofin 2003a).¹² Sector strategies were to be drafted with teams of ministries plus all major actors in the sector, including donors, decentralised authorities, the private sector and NGOs.

In January 2004 a retreat was held for Government ministers and senior ministry staff where pressure was applied from the highest authority on ministries to develop sector strategies. This was presented as important to putting into action the GoR 7-Year programme adopted after the elections in 2003 and to demonstrating to the people that the GoR was fulfilling its promises. The message emerging from this retreat was for ministries 'to be results-oriented, to act quickly and efficiently, and to improve communication' leading to a whole new dynamism.¹³ But these strategies also represented a way of demonstrating progress in implementing the PRSP to donors. Consequently, the preparation of sector strategies and corresponding chapters for the PRS-PR became a central activity of clusters in 2004, often with input from the private sector and civil society.¹⁴ Indeed, sector strategies were expected to be officially 'validated' by the clusters, and the GoR was keen to have as many sector strategies as possible validated before the PRS-PR was finalised.

An additional factor behind the drive to produce sector strategies was access to the latest World Bank funding mechanism, the Poverty Reduction Support Credit (PRSC). This was targeted at four priority sectors in Rwanda: education, health, water/sanitation and energy. From the outset there was confusion about the links between the PRSC and the PRSP. In theory the PRSC programme should have drawn from the PRSP sector strategies, and indeed sector strategies were a prerequisite for the PRSC. However, given the weakness of these (with the exception of the education sector), the World Bank became heavily involved in preparing the strategies itself. This was in part driven by the desire of the World Bank to put Rwanda's PRSC programme before the Board in June 2004, resulting in considerable pressure to move quickly. Although other donors were invited to participate in this process, there was concern that this was an agenda driven by the World Bank, where GoR ownership risked being supplanted in the interests of getting the funds as quickly as possible. The preparation of these documents required a number of meetings, substantial technical assistance, input from a range of stakeholders, and large missions to Rwanda, all adding new workloads. There were additional concerns that this would be ongoing, given that 2005 would see not only a review of the existing PRSC sectors but also preparation of new ones. The European Commission was particularly vocal on this issue, pointing out the dangers of undermining both ownership and the nascent harmonisation system if the PRSC failed to be sufficiently

¹² This document is written back-to-back in French and English, not Kinyarwanda.

¹³ Interview, Director of SPPMD, Minecofin, 17 March 2004.

¹⁴ The finalisation of the 2004 PRS-PR took over six months partly due to criticism that the previous year's Report had been prepared in a hurry with insufficient participation of non-state actors. The 2004 Report process was launched with an official meeting in April 2004 bringing together a wide range of politicians, central ministry officials, local government officials, donors and civil society representatives to organise sector drafting teams to work on different chapters of the report. The final version of the Report was published in October 2004.

sensitive to emerging processes in Rwanda in the interests of practical expediency and time pressures.¹⁵

By October 2004 the Minister of Finance was pressuring line ministries about delays in their sector strategies, pointing out how it could lead to the GoR missing the World Bank target, demanding progress reports and offering support if ministries felt they did not have the capacity.¹⁶ At the same time, the drive cannot only be attributed to access to resources under the PRSC, given that cluster activity was happening in non-priority sectors where the existence of a sector strategy was less important to funding, such as justice.

The new dynamism in 2004 also derived from the appointment of a coordination specialist within the UN Resident Coordinator's Office (UNRCO), who sought to bring some structure to aid coordination in Rwanda and to bolster GoR capacity to take greater control of the process (Smirl 2004). This position was funded jointly by donors such as the UK, Switzerland, Canada and Sweden. Throughout 2004, this coordination specialist, in collaboration with officials in CEPEX, the Ministry of Finance and the donor community, provided the impetus for a variety of initiatives to improve coordination in Rwanda.

Table 4.1 above describes the clusters as originally foreseen; table 4.2 outlines what actually happened in practice up to the end of 2004. This shows quite a different scenario. Only a few groups have met regularly since 2003, notably the private sector and HIV/AIDS clusters led by USAID and the education cluster led by DFID. The infrastructure and human resources clusters have never met at all. Other groups, such as health and decentralisation saw some initial activity, then petered out until mid 2004 when new life was breathed into them. The main point that emerges from this table, however, is the complexity of this division into sectors with clear areas of overlap between some clusters, such as health and HIV/AIDS; private sector and rural development; rural development and decentralisation; and capacity building and the social sector. Moreover, some of the clusters cover a huge amount of cross-cutting territory, notably the governance cluster but also the social sector and rural development clusters. While the social sector breaks down relatively simply into health and education, the rural development and governance clusters have proved much more difficult. Minutes of DPCG meetings of January and May 2003 highlight confusion about who should be the lead on both the donor and GoR side for rural public works.¹⁷ This officially comes under the Ministry of Local Affairs but overlaps strongly with the broader rural development strategy for which the Ministry of Agriculture is responsible with various donors providing support on particular elements (e.g. Germany on youth and rural development; the AfDB on water and natural resources; UNECA on energy; Sweden on rural electrification).

¹⁵ Letters from the European Commission to World Bank (March 2004), and to the Minister of Finance (April 2004).

¹⁶ Interview, CEPEX official, 14 October 2004.

¹⁷ The High Intensity Labour Local Development Programme (known by its French acronym PDL-HIMO) aims at undertaking development activities such as road-building and conservation projects. Local people are paid for their labour on these projects, thus making use of Rwanda's human capital in the interests of development while injecting cash into the local economy (Ntagara 2003).

Table 4.2 Cluster Activity up to December 2004

Original Cluster	Cluster in 2004	Leaders*	Meetings held**	Issues
Agriculture, rural development, land and environment	Agriculture, land, settlement, environment	EC & Minagri	Dec 2002; March 2004.	Concerns from outset about overlap with other clusters, notably private sector (e.g. credit), decentralisation and demobilisation. Little action and rural sector strategy considered to be weak.
	Rural Development	World Bank & Minagri	'Rural sector' meeting held to prepare a paper for the 2004 DPM	In late 2004, the World Bank agreed to take on rural development.
Infrastructure & ICT		EC & Mininfra	Has never met	EC agreed to take it on in late 2004.
Social Sector	Education	DFID & Mineduc	Regular meetings since 2001. Held two retreats; joint reviews 2003, 2004, 2005.	Considered model sector. Active in terms of joint reviews and retreats. Meetings in 2004 as the Education Development Partners Group, but not involving Mineduc, although aim is for Mineduc to assume leadership.
	Health	Belgium & Minisante	Task Force met December 2002; dormant until September 2004.	Confusion over leadership between USA and Belgium while it was dormant. Revitalised with new Belgian staff and German interest. By late 2004 Terms of Reference being prepared and some input to health sector strategic plan.
Human Resources / Capacity Building	Human Resources	UNDP & Mifotra	Has never met	Brought up in both 2003 and 2004 at DPCG meetings that its role is not clear and there is no representation.
Private Sector, Industry	Private Sector	USAID and Minicom	Regular meetings since January 2003.	Reports back at most DPCG meetings; mainly acts as a forum for information sharing on activities and runs thematic discussions (e.g. agriculture, tourism).
Governance	Governance	UNDP & Minaloc	Meetings of full cluster in March, September, October 2004.	Decided in October 2004 that the 'governance' cluster should be a platform for political dialogue and sub-clusters for technical dialogue. Broken down into sub-clusters: Public Sector Reform, Decentralisation, CDF; Justice; Economic Governance; Media and Civil Society.
	Election (Task Force)	UNDP	May and July 2003	Support to electoral commission and civil society in 2003 through a basket fund involving UNDP, EC, DFID, SIDA and Norway.
	Gacaca (sub-cluster)	Belgium & National Gacaca Service	Several meetings in 2004.	Not originally part of cluster system, but now considered a justice sub-cluster. Also have Netherlands supporting Supreme Court and Judiciary; Germany the Prosecutor General.
CDF/Decentralisation	CDF/Decentralisation/rural public works	Netherlands & Minaloc	May and September 2003; then September 2004	Confusion over CDF/Decentralisation as separate cluster or as sub-cluster of Governance; overlaps with rural development. Decision late 2004 to divide into support for CDF (led by Netherlands) and support for Minaloc (led by UNDP).
HIV/AIDS	HIV/Aids	USAID & Minisante	Regular meetings; reports back at most DPCG meetings.	Under UN at first, then taken over by USAID in April 2003. Concerns about overlap with health cluster. Considered 'showcase' example with pilot study being undertaken end 2004.

* Acronyms: Minagri (Ministry of Agriculture); Mininfra (Ministry of Infrastructure); Mifotra (Ministry of Public Services & Labour); Minicom (Ministry of Commerce); Minaloc (Ministry of Local Affairs); Minisante (Ministry of Health); Mineduc (Ministry of Education); CDF (Common Development Fund)

** The information in this column stems from minutes of meetings available and mentioned in other forums. It is possible that other meetings have taken place, so this should be read as illustrative only.

Sources: DPCG meeting minutes 2003 and 2004; minutes of Cluster meetings 2003 and 2004; Smirl (2004).

In 2004 it was finally decided to break the governance cluster down into four sub-clusters:

- public sector reform, decentralisation, Common Development Fund (CDF) (Netherlands and the Ministry of Local Affairs);
- Justice (Belgium and the Ministry of Justice/Supreme Court, but possibly being taken on by UNDP);¹⁸
- Economic Governance (DFID/USAID and CEPEX, but again possibly DFID and UNDP);¹⁹
- Media and Civil Society (DFID and the Ministry of Local Affairs).

Further confusion arises from this, however, as Decentralisation/CDF already officially forms a separate cluster. Moreover, by late 2004 there appeared to have been a further split of this cluster into support for the CDF led by the Netherlands, and support for the Ministry of Local Affairs led by UNDP.²⁰ In addition, there exist various sub-groups covering the justice sector; Belgium coordinates a group of donors supporting the *gacaca* system²¹ and the Netherlands coordinates donors in support of the Supreme Court on an ad-hoc basis. Ad-hoc 'task forces' have also been established, such as on the elections in 2003.

While table 4.1 above implies that each cluster involves a large number of GoR institutions, with one facilitating ministry and donor appointed, cluster meetings in practice have been constituted of several donors involved in the sector, led by the lead donor and involving at best one or two GoR representatives. As we shall see below, there is no evidence about cluster meetings bringing together all the GoR actors listed.

Beyond this question of complexity and overlap, a core problem for the clusters has been their form and remit. Although terms of reference were agreed upon in 2002, DPCG minutes indicate that the actual role of clusters was never fully clarified, particularly with regard to policy input. Indeed, it was decided early on that each cluster should develop its own working methods. This resulted in those clusters that were actually functioning working too vertically, without sufficient reflection on cross-cutting issues (Smirl 2004). As the following intervention demonstrates, a more formal arrangement was required:

there was still [a] need to operationalise the cluster system but so far that had been impossible because there were no clear operational guidelines or structures.²²

As a response to this, towards the end of 2004 most of the cluster meetings had the adoption of terms of reference on their agendas. This was all the more necessary given that, at least at first, there were different views between and within the GoR and donors about the remit of the clusters. In 2003 the GoR saw clusters as a forum for developing sector strategies and for coordinating planning and resources. Donors, on the other hand, saw clusters more as an instrument for harmonizing procedures

¹⁸ Interview, Deputy Resident Coordinator, UNDP, 22 September 2004.

¹⁹ Interview, Deputy Resident Coordinator, UNDP, 22 September 2004.

²⁰ Minutes of DPCG meeting, 8 November 2004.

²¹ The *gacaca* are popular tribunals for trying lesser crimes of genocide, drawing on a traditional Rwandan justice system (see Uvin (2001b) and Karekezi (2004)).

²² Intervention of Director of SPPMD, Ministry of Finance, Minutes of DPCG meeting of 6 May 2004.

(Niloy 2003).²³ A year later, the GoR seemed to have shifted position slightly, seeing clusters less for sector strategy development but more for coordinating implementation once the strategy was in place; for their part, in 2004, donors had adopted the former GoR position of seeing clusters as sounding boards for sector strategies (Smirl 2004). Often, however, the clusters have been little more than forums for exchanging information, rather than tackling serious problems and activities.

Another issue is the leadership of clusters on the donor side. While there have been obvious leaders for several sectors, such as education and HIV/AIDS where one bilateral donor is dominant (UK and USA respectively), others have been more problematic:

Two donors had not yet been identified for the health and Human resource and capacity building sectors. The Government was still waiting for confirmation from either USAID or Belgium on whether they would facilitate the health sector, while Sida, which had been nominated to lead the human resource sector, lacked the capacity. The Government requested either the World Bank or UNDP to lead this sector and was still waiting for confirmation from either of them.²⁴

There has also been some 'trading', for example between the EC and World Bank over coordination of the PRS-PR chapter in the rural development and agriculture sector. This raises a number of questions about why donors take on leadership of particular sectors; whether it reflects their comparative advantage in the sector, particular political interest or in response to GoR requests. The gaps in sectors considered particularly problematic, such as rural development, or where there is no clear donor leader appear to have resulted in some sectors being neglected. Moreover, one informant spoke about rivalry amongst donors to work in areas that are more interesting or 'trendy'.²⁵

Education and Health: clusters in action

The education and health clusters, two of the priority sectors of the PRSP, provide examples of clusters in practice. They are nevertheless very different in terms of the policy environment and donor engagement.

The education sector is upheld as an example in Rwanda of good donor-GoR practice. An Education Sector Strategic Plan (ESSP) was adopted in 2003, joint reviews have been held annually since 2003, and two donor retreats have been organised to debate coordination issues. The education sector in Rwanda is strongly supported by DFID which has provided a considerable number of long- and short-term technical advisors since the late 1990s, using a programme approach to develop institutional capacity within the Ministry of Education. The extent of DFID's engagement made it an obvious donor leader for the education cluster. There are, however, a number of donors providing support for education, mostly as discrete projects in particular sub-sectors (Hayman 2005b: 22). While there is good dialogue between the Ministry, DFID, UNICEF and the World Bank, some of the smaller bilateral donors in this sector, such as Germany, Belgium and France, have been less

²³ Minutes of DPCG meetings, 27 March 2003 and 30 October 2003; Niloy (2003).

²⁴ Minutes of DPCG meeting, 6 May 2004.

²⁵ Interview, senior official, Ministry of Finance, 24 September 2004.

involved in coordination activities and indeed sometimes feel excluded from discussions and joint review activities.²⁶ There is no evidence to suggest that regular 'cluster' meetings have taken place since 2001, although monthly meetings were taking place in mid 2004, and there have been no consistent reports back to the DPCG on activities.²⁷ There seems to be some dialogue between TA of different donors located within the Ministry, e.g. between British and French TA involved in curriculum development, but limited cross-agency dialogue on different donor projects. Indeed, coordination and alignment in the education sector appears to revolve around a core group of donors with a particular approach to aid, raising questions about the scope of real dialogue on alternative perspectives.²⁸

A core objective of coordination in the education sector is to align support around the ESSP. Although this policy paper is the outcome of joint work between the Ministry of Education and DFID, with other donors consulted, there are questions about the real depth of commitment to it. It has been largely driven by the UK which itself focuses on particular priorities within education, notably basic education and teacher training; and there are signs that donors are willing to offer and, more importantly, the Ministry is willing to accept support outside of the core priorities of the ESSP framework, often to the frustration of UK officials.

In the health sector, until mid-2004 there was no donor taking a clear lead, although Belgium had apparently fulfilled this role previously²⁹ and had committed itself to it, this being the main area of Belgian activity:

[G]iven its implication in the health sector, Belgium intends to play the role of coordinator and facilitator, at the request of donors and the Rwandan authorities. (DGCD 2002: 31, translated from French)

However, as we saw above, there had been discussion about whether the USA should take on this role. The main donors in this sector are Belgium, the USA and Germany, each of which carries out projects in specific areas of the health sector. For example, Belgium provides institutional support to the Ministry of Health, to the Central Hospital in Kigali, to certain health districts and for malaria. Germany supports primary healthcare in certain regions as well as HIV/AIDS. The USA concentrates on reproductive health and HIV/AIDS. There has been little collaboration between these donors on an overall sectoral approach. A few meetings took place in early 2003,³⁰ and a matrix of donor interventions in health was elaborated but this was not kept up-to-date and there was a long gap until a large meeting was convened in September 2004. By this time Belgium had come forward once again to take the lead role; but there was also substantial engagement from new staff within German Technical Cooperation.

²⁶ Interviews: VVOB Kigali, 14 October 2004; GTZ Kigali, 28 September 2004.

²⁷ The only reference I came across in DPCG minutes dated from April 2004, when it was reported that the education cluster was drawing up terms of reference and debating how to improve Ministry leadership (minutes of DPCG meeting of 1 April 2004).

²⁸ These issues are explored in more depth in Hayman (2005a).

²⁹ Some informants implied that in the late 1990s the health sector was considered the 'model' sector while education languished. Most of these informants were involved in the health sector at the time so their opinions may be biased. They felt that frequent changes in senior staff and donor disengagement had been detrimental to the development of the health sector (Interviews: former technical assistants to the health sector, 21 January 2004, 5 February 2004; former Minister of Health, 25 February 2004).

³⁰ Minutes of DPCG meeting, 22 January 2003.

As the largest bilateral donor in this sector, with a long history of support, including institutional capacity building in the Ministry of Health, it seemed logical for Belgium to take the lead. Yet limited human resources in the Belgian embassy and limited personal commitment by senior programme staff to coordination constituted obstacles. With new and additional staff in the second half of 2004, a new dynamism could be observed. An initial meeting bringing together all actors interested in the health sector was held on 30 September 2004. This involved Ministry of Health officials, as well as representatives of bilateral and multilateral agencies and a few NGOs. The large number of participants at the meeting gave some idea of the difficulties that could be foreseen in coordinating support to this sector with many agencies often undertaking small projects in specialised areas. Discussions during and after this meeting with various actors threw up the question of NGO involvement in cluster activity. Amongst bilateral donors there was a strong sense that NGOs' interests and roles were very different to official donors and that they should not be involved in policy discussions within the cluster system. At the same time, it was considered essential that NGOs be involved in the broader PRS process.

In parallel to this, there was a new drive to develop a health sector strategy. This came about largely through the PRSC mechanism. The weakness of planning in the health sector resulted in the World Bank bringing in a team of experts to help prepare the sector strategy in time to meet its own deadlines, as noted above. Consequently, in contrast to the education sector, this drive did not come from the Ministry itself nor from the main donors to the sector.³¹ Belgium, Germany and the USA were all more focused on discrete projects than looking towards a sectoral approach. Despite providing TA to the Ministry of Health, the relationship between the Belgian project team and senior health officials was not close, with the TA in late 2003 saying it was hard to even get an appointment with the Secretary-General or Minister.³²

The education sector provides an example of what can be achieved when there is strong engagement from one major donor interested in developing a sectoral approach, in institution building and policy-making, and with a good working relationship with senior officials in the Ministry. The health sector, on the other hand, demonstrates the problems where there is no overall donor leader, leading to a disjointed approach to policy and prioritisation to the detriment of a coherent strategy. Indeed, the health sector has suffered greatly from 'crowding out', with some sub-sectors receiving a huge amount of attention, notably HIV/AIDS, and with some health districts receiving considerable support while other parts of the country have been neglected.³³ These examples also highlights the importance of individuals in terms of adding drive to the process.

³¹ An ODI fellow (see footnote 34) placed within the Ministry of Health felt that the support of the World Bank in preparing the sector strategy had built up some capacity within the Ministry's planning department, but at the same time felt that it was largely World Bank priorities that were being pushed (interview, 11 October 2004).

³² Interview, Belgian TA to the Ministry of Health, 10 November 2003. Note that in mid-2004 there was a shuffle in Ministry, with a new Secretary-General and Minister. The Belgian team was also changing, hence by late 2004/early 2005 the scenario could have been quite different.

³³ We see this to a lesser extent in the education sector also. Despite an overall sector strategy, actual donor support and Ministry prioritisation focuses on particular sub-sectors (see Hayman 2005a and 2005b).

In both these sectors, the same problems emerge of limited Ministry engagement in the cluster and recourse to external assistants to drive it. In the health sector, at the cluster meeting on 30 September 2004, Ministry of Health staff seemed confused by the concepts of coordination, with the British ODI fellow placed in the Ministry acting more or less as the spokesperson;³⁴ likewise this ODI fellow had been responsible for attempting to put together a matrix of support to the health sector. A similar situation was evident in the governance sector, where the organisation of coordination activities was delegated to one of the ODI fellows in the Ministry of Local Affairs. In the education sector, coordination has very much been in the hands of the UK. A desire was expressed by one DFID representative that it be run by the Ministry, but it appeared that nothing would happen without pressure from DFID. Indeed, although joint reviews have seen close collaboration between the Ministry of Education and donors, most coordination activities appear to be the domain of donors alone with no sign of it becoming a Ministry-led activity.

These experiences provide some indication of the reality of translating the general concept of 'coordination' around the PRSP into practice. The second area which throws up a separate set of issues is that of the harmonisation of budgetary support.

Budget Support and Harmonisation

In parallel to the cluster activity, harmonising the procedures of budget support donors was high on the agenda in late 2003. As mentioned above, in early 2003 the RHA group began work on a Partnership Framework. This had been mooted during a mission of the SPA Budget Support Working Group to Rwanda in October 2002 which, after conducting an overview of existing budget support programmes and harmonisation issues, made recommendations "to promote better alignment of budget support programmes with national PRS and budget processes in order to improve aid effectiveness and strengthen government ownership of its policies" (SPA 2003: 2). The SPA had observed that assistance to the budget in 2002 was: typically uncoordinated; weakly or not at all aligned with the PRSP and GoR systems in terms of policy, priorities, performance monitoring and reviews; made high demands on the GoR for conditions, activities and information; demonstrated weak links to poverty outcomes; and involved too many reviews and reporting requirements.

It should be noted that this mission occurred before the DPM of November 2002 at which donors expressed a stronger willingness to coordinate around the PRS process; so the points made by the SPA occurred when both donors and the GoR were only just beginning to articulate their views on operationalising the PRSP and considering how to align aid around it. It also predated the Rome Declaration of February 2003 where donors committed themselves to making progress on

³⁴ The Overseas Development Institute (ODI) in the UK runs a fellowship programme, with support from DFID, which provides 1-2 year placements for recent economics graduates within ministries in developing countries. The Ministry of Finance in Rwanda has had ODI fellows in different departments for a number of years. Other ministries in Rwanda hosting these fellows are the Ministries of Local Affairs, Education and Health. These fellows are highly regarded by Rwandan officials and work in close collaboration with very senior civil servants. Fieldwork observations indicated that these fellows often act as ministry representatives in GoR-donor forums.

harmonisation. By 2003 there was therefore more pressure to move ahead on harmonisation. The initial activity of the RHAI was to draft an issues paper which recognised explicitly the requirements on both sides:

actions by [development partners] to increase alignment, harmonise practice and streamline requirements are necessary but will only have significant effect in the context of equivalent action by GoR to develop a robust, internally coherent national process. (RHAI 2003: 5, emphasis in original)

When the SPA returned to Rwanda in November 2003 it noted that “significant steps” had been taken, that the “focus on improving aid effectiveness is stronger and collaboration has deepened” and that GoR “frustration” at donor practices “has evolved into a constructive dialogue and initiatives to improve the situation” (SPA 2003: 2). However, although it was generally “agreed that macroeconomic and budget support provides substantial scope and high potential returns (in terms of reduced transaction costs and more effective aid) for increased harmonisation and alignment”,³⁵ reaching agreement on harmonisation in practice was not plain sailing.

At a meeting on 17-18 November 2003, the budget support donors, as well as the IMF, came together in a two-day meeting to adopt the ‘Partnership Framework for Harmonisation and Alignment of Budget Support’. The aim of the Framework was to

reduce transaction costs and increase Government effectiveness, in particular by streamlining conditionalities and holding joint Government-donor reviews. Donor alignment behind the PRS and Government-led review processes will increase Government ownership of economic and social policy, and should be accompanied by improvements in the predictability of donor inflows.³⁶

The core components of this Framework were as follows:

- donors would rely on coordinated³⁷ review missions linked to three Government-led review processes: the annual PRS Progress Review; the annual Public Financial Management (PFM) review; and the six-monthly PRGF review;
- donors would draw conditionality from government-owned policy matrices and action plans and align their missions to the review cycle;
- donors would rely on Rwanda’s own systems for PFM;
- donors would improve the predictability of their support by informing the GoR about their disbursement plans for the following year in good time, and would “avoid where possible in-year suspensions of budget support, and allow for dialogue and time for remedial actions where problems arise”,³⁸
- donors would provide coordinated technical assistance to support monitoring systems;
- a Government-budget support donors group would be established to discuss technical issues.

The Framework was signed by the GoR, the EC and DFID, and endorsed by Sweden, the IMF, the AfDB and the World Bank.

There is clear resonance here with the broader global reflections on budget support and harmonisation in seeking to tackle aid effectiveness through undertaking

³⁵ Letter from the European Commission to Minister of Finance, 18 July 2003.

³⁶ Partnership Framework, draft 3, November 2003, page 1.

³⁷ Note that an earlier version of the Framework referred to ‘joint’ rather than ‘coordinated’ reviews.

³⁸ Partnership Framework, draft 3, November 2003, page 10.

coordinated missions, aligning around the GoR's own systems, drawing conditionality from a common framework and improving predictability. However, the nature of this Framework and the process of preparing it raised a series of questions,³⁹ the first of which relates to the driving forces behind it and donor commitment. In its report, the SPA was eager to emphasise how 'government-led' the process was, while at the same time

the **involvement of local donors** in the design of the Partnership Framework, through intensive dialogue and active technical support, has been helpful in empowering Government leadership and ownership of the process without substituting for it. (SPA 2003: 11, emphasis in original)

The principal authors, however, were an economist from the European Commission and an ODI fellow based in the Ministry of Finance with support from DFID. DFID and the EC were the only two donors able to sign the Framework at the time of the meeting, with other donors agreeing to "recommend to their authorities that they should also become co-signatories" (SPA 2003: 3). The EC and UK were clearly pushing the initiative, with the other donors demonstrating more qualms about the draft documents. At times the World Bank representatives appeared quite hostile, demanding significant changes to drafts. Given that the purpose of this meeting was precisely to adopt this Framework, with drafts circulated in advance, the depth of debate on the wording was quite surprising. Moreover, there was a clear difference between those donors with authority to commit to such an agreement in country (namely the UK and EC) and those with restrictions on their authority to act. Different views from the donors involved also emerged in discussing the drafts. For example, the Swedish representatives placed a great deal more emphasis on GoR commitments to political governance,⁴⁰ and the World Bank implied that it had limited confidence in the GoR's own accountability systems.

The World Bank's attitude with regard to the Framework and to harmonisation more broadly is particularly confusing. Around the same time that this Framework was being put together, the Bank appeared to be striking its own path on harmonisation from Washington. In December 2003, the World Bank produced its own Harmonisation Framework and Action Plan and was planning to run workshops and undertake studies in Rwanda on harmonisation. This did not involve collaboration with other donors. This situation continued into 2004. In October 2003 the Bank began preparing a case study on harmonisation in Rwanda for the Paris Forum without clear consultation with actors on the ground.⁴¹ It was discussing the need for frameworks and calendars for predictable aid while ignoring ongoing processes on precisely these issues. And it was engaging in unilateral discussions with the GoR on topics such as when a 'silent period' from missions should be considered and sector strategies without including 'lead' donors. This aroused considerable frustration among other donors in Rwanda with informants expressing

³⁹ Insights here come from observations at meetings on 17 and 18 November 2003.

⁴⁰ The SPA recommended against explicit reference to political governance issues within a budget support framework, as these "do not easily lend themselves to explicit conditionality and predictable donor commitments." The SPA felt that these should rather be dealt with in the donor's overall dialogue with the GoR (SPA 2003: 6).

⁴¹ 'Harmonisation Case Study on Rwanda for the Second High Level Forum on Harmonisation and Alignment for Aid Effectiveness' (UNRCO 2004), concept note draft 20.08.04.

concerns about parallel processes, with the UN and World Bank each interacting with a different set of officials in the Ministry of Finance.

Secondly, the Framework represented a set of ‘reciprocal commitments’ which were unenforceable with no legal standing. Indeed, several participants were keen to stress that it must be subordinate to bilateral or international arrangements between the GoR and individual donors.⁴² Aspirations for harmonisation were dampened in reality by constraints on donors set by their headquarters. Profound changes would have been required in practice amongst donors. Indeed, one participant at the meeting stated that the best the Framework could be was ‘a legitimate attempt to move to a coherent framework for budget support.’

As an ostensibly Government-owned document, setting out its approach to the harmonisation of budget support in agreement with donors, this example demonstrates just how complex moves towards harmonisation can be in reality. Ultimately, the Framework represented little more than a general set of principles, given that bilateral agreements took precedence. Each donor could choose with the GoR which elements were to be used in their bilateral agreements, and each donor would meet commitments at different speeds with no overall timetable. In what ultimately resembled more of a move *away* from harmonisation, it was felt that a “pluralism of approaches” would minimise the risk to the GoR of complete harmonisation given the “damaging” situations which could arise if all donors stopped budget support disbursements at the same time.⁴³ This plurality was also considered more conducive to predictability in that if all donors followed the same pattern and there was one condition unfulfilled which prevented disbursement, then the GoR could hit real problems. In this respect, having one overall framework but different approaches was considered a better option.⁴⁴

Thirdly, these discussions concerned only a very small group of donors. Although a few donors who do not provide budget support did participate in the opening sessions of the two-day meeting on this Framework in November 2003, there was limited real engagement with or by them. In some respects, this reflects a two-tier process, with budget support donors engaging in a different relationship with the GoR to non-budget support donors.

The application of this Framework in 2004 was patchy at best. In March 2004 there was a joint PFM review, and in September 2004 a joint review of support to the Ministry of Finance, which was not limited to budget support alone. However, the PFM joint review did not appear to have reduced individual missions:

the PFM exercise also provided an example of limited coordination, as 5 of the 6 budget support donors had PFM related missions/reports in the first quarter of 2004. (Minecofin 2004: 37).⁴⁵

Indeed, Minecofin reports that between January 2003 and April 2004, it received 143 different missions, mainly from budget support donors, not including visits to the macro-economic department which are not consistently reported (idem: 36). Only two formal meetings of the Budget Support Harmonisation Group (BSHG) were held during the period covered by this study (in December 2003 and February 2004)

⁴² This point was removed from the first draft of the document then put back in by the final version.

⁴³ Partnership Framework, draft 2, pg.5.

⁴⁴ Intervention, representative of EC, PRSC update meeting, 5 October 2004.

⁴⁵ This was also raised at the HARPP meeting of 1 June 2004.

where discussions focused on the practical functioning of the group and financial and economic developments, such as the budget and negotiations with the IMF.⁴⁶

This experience points to considerable problems around the harmonisation of budget support. For the GoR, budget support is the most favoured instrument for aid delivery:

The GoR has restated in several fora and meetings its preference for predictable budget support as the primary modality of assistance. The GoR believes that clear budget support, when accompanied with accountable and transparent institutions, will deliver superior results compared to the traditional project approach. (Minecofin 2004: 36)

However, the risks are clearly recognised by the GoR, as the following statements from GoR officials demonstrate:

Budget support responds better to our expectations but is often too demanding. (Member of Rwandan Parliament, 31 October 2003)

Those accepting to provide budget support are very important ... [but] it is a problem if budget support does not come. (Member of Rwandan Parliament, 23 April 2004)

We are encouraging budget support which has lots of advantages, but it also has conditions placed on it. (Official, Ministry of Foreign Affairs, 9 November 2003)

The main problem is that of predictability of aid flows, which for the GoR was a central purpose of establishing the harmonisation Framework and which has been a point of some contention. At the November meeting, several Minecofin officials stressed the importance of predictability of funding and the problems caused by not receiving information on intended disbursements early enough, or not receiving funds when anticipated. This was further reiterated at a meeting organised by the World Bank on the PRSC on 5 October 2004, where one Minecofin official stressed the difficulty of establishing a calendar of budget support disbursement when each donor followed a different pattern. Moreover, planning was impossible when there were constantly delays in disbursement, either due to the GoR not fulfilling conditions on its side or administrative delays on the donor side. Ideally for the GoR, there would be one single instalment of budget support at the start of the year with an evaluation at the end of the year. If this assessment threw up problems, then conditions could be attached to disbursements for the following year, thus allowing predictable and transparent flows.⁴⁷ Such an approach to applying conditions was supported by the SPA which recommended that “donors consider ways of ensuring a graduated response to changes in GoR’s performance (both improvement and deterioration)” (SPA 2003: 6). As we shall see in chapter 7, this is theoretically the approach that the UK has adopted, in providing for a window of dialogue before cutting any budget support. However, in 2004 this procedure was not consistently followed.

⁴⁶ Minutes of BSHG meeting, 17 December 2003.

⁴⁷ Intervention by Director of Macro-Economy, Minecofin, PRSC update meeting, 5 October 2004. This point was also raised in an interview with the Director on 27 October 2003.

Government Leadership and Internal Coordination Issues

The above discussion of clusters and harmonisation of budget support begins to provide some indication of the complexity of turning the concept of aid coordination into workable practice. Central to the whole framework of new programme aid is that there should be government ownership of the PRSP process. Ever since 1994, the GoR has expressed frustration with the aid system. Indeed, President Kagame (Vice-President at the time) publicly stated that coordination “stinks” in his speech to the July 1995 Round Table (UNDP 1995a: 144). The GoR has constantly been demanding greater control over aid flows, more predictability and flexibility in funding, greater transparency and better coordination amongst donors. In response, donor rhetoric implies common agreement that the GoR should be leading the coordination process. Indeed the first two progress indicators outlined in the draft HARPP Partnership Framework are that “Government sets its agenda in a country-based action plan for harmonisation and alignment” and that there is “Government leadership of the national coordination process”.⁴⁸ The practice has been quite different. As we saw above, the question of whether DPCG meetings should be for donors only was on the table in early 2003; likewise the RHAi at first was just a donor group, to which GoR representatives were invited. However, by July 2003 the RHAi began to request that it be a Government-led process with meetings co-chaired by Minecofin,⁴⁹ and by March 2004 the DPCG was being co-chaired by the UN and Minecofin. Indeed, the entire system has become increasingly formalised, with the GoR asking that formal invitations be sent to Ministers rather than the semi-formal emails which had previously been used. Meetings of the DPCG and many cluster groups now take place alternately in the offices of the UN and government ministries to “avoid misconceptions of perception”, to “demonstrate that partnership is respected” and to ensure “ownership”.⁵⁰

The desire for this formality on the side of the GoR is indicative of internal debates on coordination, inherently tied up with questions of ownership and local control of processes. Since 1994 a whole range of instruments have been established in Rwanda, often with donor support, to improve coordination of aid flows, development programmes and internal policy coherence. These include:

- the Guidance Committee (*Comité d'orientation*) established within the Prime Minister's office following the UN Round Table in January 1995 as a forum for dialogue between the GoR and donor representatives to track financial flows and monitor commitments, as well as to prepare follow-up activities (UNDP 1995b);
- the Inter-sectoral Technical Committee (*Comité Technique Intersectoriel*) set up to ensure equitable distribution of funds across sectors;
- the Permanent Technical Secretariat for Monitoring the Round Table (*Secrétariat Technique Permanent pour le Suivi de la Table Ronde*); and
- the Development Programme Coordination Committee (*Commission de Coordination du Programme de Développement National*) created in February 1997 to coordinate activities of different departments involved in the national development programme. (UNDP/UNOPS 1997)

⁴⁸ HARPP Partnership Framework. Preliminary Draft for Discussion. Kigali, July 19, 2004.

⁴⁹ Letter from the European Commission to the Minister of Finance, 18 July 2003.

⁵⁰ Minutes of DPCG meeting, 4 March 2004.

In 1998 the decision was made to establish the Central Bureau for Public Investments and External Funding (CEPEX) in order to tackle concerns that development projects were not performing.⁵¹ By this time, overall responsibility on the GoR side for coordination lay clearly with Minecofin.⁵² CEPEX was initially created as a Task Force and was shaped into a proper institution by 1999 with UN, Belgian and AfDB support. It later became a semi-autonomous body attached to Minecofin, promulgated into law in February 2002, with a very broad mandate far outstretching the resources allocated to it: to monitor and programme public investments, including the National Investment Strategy, Public Investment Programme, and the Development Budget; to mobilise and coordinate external resources, providing information on the use of public investments via projects, managing the coordination of donors and NGOs with GoR policies; and to monitor donor disbursements and assess portfolio performance (GoR 2002f).

Despite these mechanisms, in 2003-2004 the GoR appeared no clearer on coordination in practice than many donors. The minutes of DPCG meetings throughout 2003 demonstrate a lack of clarity within the GoR about how it should be engaging with the DPCG and clusters. It wavers between wanting to keep the GoR and donor sides separate, only coming together occasionally, and wanting to be kept fully abreast of discussions through joint meetings. This concern with transparency from donors does not, however, extend to ensuring that donors are fully aware of what is happening on the GoR side. As table 4.1 (page 69) indicates, a large number of GoR institutions are supposed to be involved in each of the clusters. However, little feedback is provided to donors about cluster meetings within the GoR or about how information is exchanged between Minecofin and line ministries. Indeed, mixed messages emerge about this. In March 2003 officials stated that the system was working well on the GoR side, with regular meetings taking place,⁵³ but later in the same year officials noted that the mechanism was not working on the GoR side, with a lack of clear understanding across ministries about the process.⁵⁴ In fact, there is very little evidence of meetings taking place at all on the GoR side which would constitute 'cluster' meetings.⁵⁵

Part of the problem is a debate over the internal remit for aid coordination. Coordination tends to be seen as a Minecofin matter, rather than of relevance to all line ministries,⁵⁶ but even within Minecofin there is confusion about the coordination agenda, how much of a priority it is, and who should be responsible. Since its establishment CEPEX has been beset with problems. With a wide ranging mandate, limited human resources and frequent changes of director it was greeted with hostility from both line ministries and donors. On the GoR side, some government ministries saw CEPEX as a control tool which would diminish their direct

⁵¹ 'Meeting with donor agencies on external aid coordination, the roles of the development committee and central projects bureau', Minecofin, 12 August 1998.

⁵² Prior to a merger in 1997, Minecofin was two separate Ministries - Planning and Finance. The Planning section of Minecofin has been the main actor with regard to coordination activities.

⁵³ Minutes of DPCG meeting, 27 March 2003.

⁵⁴ Statement by Minecofin official at DPCG meeting, 30 October 2003.

⁵⁵ When asked for minutes or reports of internal coordination meetings, officials in Minecofin informed me that although the subject was occasionally raised in the Inter-Ministerial Committee and the PRS Steering Committee, there was no official record of GoR 'cluster' meetings (interviews, Minecofin, September-October 2004).

⁵⁶ Interview, Minecofin official, 24 September 2004.

negotiating role with donors and therefore represented a threat to their power.⁵⁷ The general reaction from donor representatives to CEPEX was dismissive at best, with exasperation at poor organisation, incoherence and overlaps between departments, lack of direction, constrained resources and weak management which it was felt rendered it obstructive rather than constructive. It was seen as doing little beyond gathering (often incomplete) information on donors, using complicated questionnaires, rather than taking the initiative on coordination. This refers to the CEPEX matrix of donor interventions which has been produced annually since 2000 and which attempts to capture aid flows from multilateral and bilateral agencies as well as larger NGOs. In theory this represents an instrument for coordination in providing information on potential duplication of activities and gaps. However, every year CEPEX struggles to get donors (including NGOs) to provide complete information in a timely manner, finding some particularly secretive. CEPEX staff have no power to force donors to provide this information, and donors for their part complain that the way in which information is requested does not fit with their systems, making questionnaires hard to complete. This implies that discussions have not been held to establish how best to request information in such a way as to ensure donor cooperation. Donors also complain about receiving overlapping requests for information from CEPEX and line ministries.

Some pressure appears to have been placed on the GoR to dismantle CEPEX in the interests of efficient use of resources, but there has been strong support for it from the Minister of Finance. 2004 saw another shake-up of senior management in CEPEX, and under the wider restructuring of Minecofin it was due to be fundamentally re-organised, with overall responsibility for aid coordination moving to Minecofin, responsibility for the development budget moving into the budget department of the Ministry, and CEPEX retaining responsibility only for project management.

Perhaps because of the weaknesses of CEPEX, and in turn exacerbating the problems, many donors appear to have been more willing to engage with the Strategic Planning and Poverty Monitoring Department (SPPMD) of Minecofin, a unit set up to frame the PRSP process and heavily funded by DFID. SPPMD is responsible for both the PRSP and sector strategies around which coordination is supposed to revolve. Indeed,

SPPMD was not originally intended to have donor interface but since it was closely involved in the PRSP preparation, donors developed a level of comfort and familiarity with the SPPMD which has ensured an ongoing interface. (Niloy 2003: 12)⁵⁸

Consequently, there is no single focal point for donor interaction with the GoR on coordination, leading to not one but many counterparts. This goes some way to explaining the situation mentioned earlier where the World Bank engages with one set of people and other donors with another.

⁵⁷ Interview, former CEPEX official, 29 April 2004.

⁵⁸ It is also possible that donors prefer to engage with their 'own' structures, i.e. the ones they have essentially constructed and supported, rather than ones established by the GoR to deal with particular issues. DFID strongly supports SPPMD, but DFID staff were very dismissive of CEPEX. The UN and Belgium, both of which have funded projects with CEPEX, have appeared more willing to engage with it as a structure.

However, this situation demonstrates much deeper concerns within the GoR about coordination and what it might mean for national sovereignty. This is best illustrated by the preparation of a Cabinet Paper on clusters and coordination in 2004. Throughout 2004, there were frequent requests from donors for the GoR to provide them with guidance on what it expected of both the DPCG and the cluster system. In response to this, and following an internal discussion between heads of lead ministries, in May 2004 Minecofin announced that a Cabinet Paper would be prepared.⁵⁹ By the end of 2004 this had still not been presented to Cabinet, nor formally to donors, even in draft form.

SPPMD was responsible for drafting this paper (again raising questions about the division of labour between SPPMD and CEPEX), then presenting it to Secretary-Generals before finalising it for Cabinet review. The preparation of this paper pointed to wider questions of technical and political significance. As we saw above, there are issues of overlap between the different cluster groups. This points to administrative problems of coherence and division of labour between ministries with regard to sector strategies, notably the question of where one ministry's remit ends and another begins. One example is that of education, human resource development, capacity development and the labour market. There are strong connections between these activities yet they are spread across the Ministries of Education, Public Service and Labour and Local Affairs.⁶⁰ Linked to this, in order for the clusters to function it was recognised that sector strategies were required to provide a lynchpin for coordination. This relates back to the earlier point about whether clusters should aim to provide input to sector strategy preparation or rather to coordinate assistance for implementing strategies.

However, the process of preparing sector strategies revealed problems in understandings across ministries. SPPMD was responsible for overseeing the development of sector strategies and supporting ministries to draft them; indeed, one official stressed that lack of capacity was no excuse for delays as there was support there if required.⁶¹ Throughout 2004 this process was ongoing, as we have seen above. By the end of 2004, the majority of sector strategies had officially been validated – some with more participation than others⁶² – but this does not necessarily mean that they were of good quality or workable. The pressure to produce sector strategies often resulted in them being seen as end goals rather than as living policy instruments. Officials in SPPMD confessed that many of the 'sector strategies' much more closely resembled ministerial plans, raising concerns that ministry staff had not really grasped the SWAp concept. Many of the plans had not been adequately costed or had ambitions well beyond available resources. For example the draft health sector

⁵⁹ Minutes of DPCG meeting, 6 May 2004.

⁶⁰ See Hayman (2005b) for a longer discussion of coherence in the broader education sector.

⁶¹ Interview, CEPEX official, 10 October 2004.

⁶² For example, the justice sector strategy involved no participation from donors at all; they were merely invited to a meeting to validate it once it was completed. The justice sector cluster never met before this, the attitude of the Ministry of Justice being that if there was no sector strategy then there was nothing to discuss. It did not see a role for donors in preparing the sector strategy; their role was to validate it and support it. Donors involved in the justice sector had a very different perspective. For them, the whole point of the cluster was to discuss the sector strategy and prepare it jointly. They felt that donors were more likely to support a strategy if they had been involved (interviews, Embassy of the Netherlands, 23 September 2004; UNDP, 22 September 2004). This contrasts with the education and health sector strategies which involved quite wide-ranging consultation.

strategy began by outlining what was required to meet the Millennium Development Goals resulting in a budget which would have required 50% of the national budget as opposed to the 3% available. Indeed, the Minister of Finance admitted that the quest for ownership had possibly been detrimental to the preparation of well designed strategies,⁶³ a viewpoint echoed by one donor TA who felt that it might be better to sacrifice ownership in order to develop a realistic plan.⁶⁴ At the same time, demands to produce sector strategies rapidly were also considered detrimental to the process. Several donor representatives felt that years rather than months were necessary to produce decent strategies.

Not only did it appear that ministries were not fully abreast of the sector strategy concept, but the question of power also arose during this process. This takes us to the second major issue surrounding the Cabinet Paper. Officials in Minecofin mentioned concerns amongst ministries that if they were not designated as sector leaders then they would lose power and resources. Officials likewise stressed the need for clusters to be designed in such a way that did not take away ownership from the GoR. In light of this, it was felt that a Cabinet Paper was the most appropriate way to ensure that all Ministers were on board, were collectively responsible for the process and could kick-start the non-functioning clusters from their side. A crucial sticking point, however, appears to have been around accountability and reporting requirements.

As figure 4.1 (page 66) indicates, the coordination system provides for clusters to report to the DPCG on progress, with joint management by both the GoR and donors. However, if clusters are aimed at fine-tuning support for sector strategies then they contain a substantial policy element. Minecofin officials were concerned that neither Ministers nor Secretary-Generals would accept reporting to the DPCG; they should only answer to the Cabinet or the Prime Minister's Office. Given that the DPCG started out very much as a donor initiative, it may then appear that Ministers are accountable first and foremost to the donors. This elicits concerns that if a Minister makes a decision it may then be overruled by a cluster. Ultimately, it was felt that Ministers must be able to make final decisions on policy, perhaps with some dialogue within the DPCG. Despite the GoR concern, expressed earlier, that clusters should be aimed at developing sector strategies, the line of thinking feeding into the Cabinet Paper was that clusters should be about technical coordination, represented at Secretary-General level, but that policy should remain a Ministerial remit. While clusters could make commitments and recommendations, for policy guidance they must turn to the Minister.⁶⁵

This points to quite fundamental questions about sovereignty and power, which will emerge in subsequent chapters of this thesis, but also to issues about different perspectives on the 'coordination' agenda.

⁶³ Interview, Minister of Finance and Economic Planning, 24 September 2004.

⁶⁴ Discussion with Belgian TA to Minecofin (Fieldwork diary, 14 October 2004).

⁶⁵ Interviews, Ministry of Finance, September-October 2004.

Perspectives on Coordination: how far, how fast, where to?

In October 2004, I was asked by the UN coordination specialist to facilitate an informal discussion group on coordination with members of the HARPP, and to share some of my findings on coordination issues in Rwanda with aid actors. To complement existing material, a short questionnaire was circulated beforehand (see Appendix 4). Methodologically this was problematic – it was conducted in a very short period of time, during the last month of fieldwork, reaching only a small range of actors who I had easy access to in meetings and institutions. The questionnaire itself was somewhat crude having been put together rapidly without time for piloting or deep reflection and it was only circulated in English given time constraints. Moreover, the language of the questionnaire was replete with buzzwords as were the responses which raised questions about whether answers reflected what people really thought, whether they were repeating rhetoric or whether they were providing what they thought *should* be the answer. The findings, some of which are presented in box 4.1, therefore cannot be considered representative nor robust and an in-depth analysis is not attempted here. However, the exercise did throw up some interesting issues which shed additional light on coordination processes in Rwanda. If treated as a pilot exercise, it demonstrated that a well-organised and deeper survey on this topic could provide very valuable insights.

Box 4.1 : Survey on Coordination: a few findings

In total there were 47 respondents from the GoR (22), donor agencies (21) and NGOs (4)

Respondents were asked to list three advantages of coordination. The most popular answers were less duplication/overlap (29), sharing information and knowledge (19), and making more effective use of resources (13). Reducing transaction costs was mentioned by 9 respondents. Almost 50% of respondents gave answers which could be loosely grouped together as pertaining to aid efficiency.

Respondents were then asked to list three disadvantages of coordination. A very wide range of answers were given, with different procedures, weak GoR capacity and poor information flow occurring most frequently. Answers could be grouped into:

- Will, e.g. lack of political will or interest to be coordinated, lack of trust, competition amongst donors, power issues, prejudices.
- Divergence, e.g. different understandings, priorities, procedures, policies, incompatible agendas, headquarter rules, reporting formats, mentalities.
- Structure, e.g. slow mechanisms, lack of GoR leadership, no coherent framework, weak capacity, dependence on donors, weak sector strategies.
- Costs, e.g. costs of meetings, cost in relation to benefit, time consumption, workload.
- 5 respondents mentioned 'empire building' by donors or the GoR as an obstacle to coordination.

Over 90% of donor respondents felt that coordination was very important within their agencies and was receiving greater attention at headquarters level. Most respondents thought that aid coordination in Rwanda was fairly effective.

Space was given for additional comments, which threw up a range from the positive ('situation is improving', 'Government has taken the initiative', 'it's a learning process') through the constructive (making suggestions on how to improve coordination) to the negative ('a lot of misunderstandings', 'a long way to go' and 'it's a complete nightmare').

In general the findings demonstrated an overwhelming belief that the GoR should lead the process, that coordination was fairly effective in Rwanda, and that there were a huge range of both advantages and obstacles. Information sharing was more

widely associated with coordination than harmonisation of procedures. Although problems of capacity to coordinate came up frequently, there was considerable concern that the main obstacle was political will on all sides to actually coordinate. Deep down, what this exercise demonstrated in light of the broader research was that mutual comprehension about coordination was lacking. Crucially, there was no clear agreement around the three concepts of ‘coordination’, ‘harmonisation’ and ‘alignment’ and their interconnectedness. As we saw in Chapter 2, these each hold specific meanings; however, there is a tendency among many actors to talk just about ‘coordination’. For some people there is a linearity to this concept. Several informants, notably those most engaged in these debates, felt that the agenda had moved on from ‘coordination’ to harmonisation and alignment. At the other end of the spectrum, a number of respondents saw ‘coordination’ primarily as a tool for information sharing with no obvious link between coordination, harmonisation and alignment.

This lack of mutual understanding is well illustrated by the drive to negotiate a framework for harmonisation amongst project donors. In December 2003, the UN Resident Coordinator began mooted this idea, partly in response to the budget support Partnership Framework mentioned above, but also as a response to donor commitments to the Rome Declaration on Harmonisation in the face of what was seen as slow progress by mid-2004. This idea was raised at each DPCG meeting by the UN Resident Coordinator until a decision was finally made in May 2004 to establish the HARPP. In drafting the Framework for the HARPP it was recognised that full harmonisation might not be feasible in the short term but that this was no reason why there could not be better cooperation between the GoR and donors and amongst donors (UNRCO 2004: 1). This led to an emphasis on ‘strategic pragmatism’, ‘quick wins’, progressive steps, and finding common ground. This process highlighted the weak understanding of each others’ constraints, and the need to work out where the problems lay, as the following quotes illustrate.⁶⁶

Government felt that there was not enough accountability from the Donors regarding work being done in certain sectors or provinces... there was a great need for a better monitoring system of allocations coming into the country.

[I]t is difficult for donors to get clear instructions from the government on what needs to [be] done in some sectors. Donors need to be reassured that all government Ministries are of the same understanding/agreement of what needs to be done and the extent to which private sector and civil society organisations were involved at the entry level.

Almost two years after the cluster system was set up, following two papers on aid coordination (GoR 2001b; Minecofin 2002a) as well as various studies of coordination in the country (Stephens 1999; SPA 2002b; Niloy 2003; SPA 2003), not to mention the large number of meetings stretching back to the Round Table discussions of 1994 and 1995, this basic lack of mutual understanding seems somewhat surprising. One official said: “it is a shock that after two years of agreeing the system, nobody can even define it.”⁶⁷

Agreeing on the basic principles of coordination in itself was clearly problematic. A further problem for many donors was that of incapacity to act, either due to limited

⁶⁶ Minutes of HARPP meeting, 26 June 2004.

⁶⁷ Interview, Director of CEPEX, Minecofin, 13 October 2004.

staff in-country or limited autonomy vis-à-vis headquarters. The Director of SPPMD was enthusiastic about the reinvigorated coordination process in 2004; he felt that things were “moving very fast”, but noted how it was “putting a huge strain on Minecofin” which needed to provide support everywhere for sector strategies and clusters and that “donors are also stretched in terms of man-power.”⁶⁸ Within both the HARPP Partnership Framework and the budget support Partnership Framework, a series of principles were negotiated and agreed upon, demonstrating a willingness to reach some degree of consensus in-country. Applying these principles is a different matter. We saw above how bilateral agreements and specific donor procedures ultimately took precedence over the budget support Framework. Likewise, within the HARPP Framework it was recognised that there were areas where harmonisation was easier than others. At the implementation phase of projects there was considered to be the least flexibility due to differing rules on recruitment, procurement, monitoring, training, and disbursing funds; a similar story existed for the alignment of projects with the GoR calendar. On the other hand, it was felt that harmonisation might be more feasible at the design and evaluation stage through the use of common analytical and monitoring frameworks, common indicators and joint missions (UNRCO 2004: 2). This points to a fundamental issue of how much capacity country offices have to change their practices to reflect such agreements, or whether they are confined to applying only those elements which fit within their existing remit; of finding the lowest common denominator for action or striving for profound change in practices to allow full harmonisation; and of taking small progressive steps with some donors moving faster than others or waiting until all actors are capable or willing to act in concert.

The question of transaction costs for donors and GoR alike was also highlighted in the questionnaire responses. Reducing transaction costs is considered an advantage of coordination; yet among the obstacles mentioned were the high cost of meetings and coordination in terms of time consumption and workload. Setting up joint reviews, basket funds and silent partnerships was felt to be onerous. The election basket fund was mentioned by one informant. This required substantial work as every detail had to be carefully planned and agreed upon by all actors involved. Another spoke about the bureaucratic complexity of establishing a joint programme.

Coordination below the national level was raised by a few informants, for example in the health sector where several donors support a particular province, district or cell. A representative of a Belgian NGO active in the rural development sector in one region of the country said that there was no sign of any coordination or dialogue in the field amongst aid actors. Indeed, there were few signs of any discussion amongst aid actors about coherence at the sub-national level in terms of ensuring that all areas of the country were covered by donor interventions; nor of any discussion about dialogue on coordination amongst local authorities, NGOs, project assistants or donor agents in the field.

A final issue behind these reflections is that of the ultimate goal of coordination. As we saw in chapter 2, the concepts of coordination, harmonisation and alignment are seen as enhancing space for recipient ownership. As such, the idea of progression towards a specific objective is implied. However, the fact that some donors see coordination more as information sharing, while others are aiming at harmonisation

⁶⁸ Interview, Director of SPPMD, Minecofin, 17 March 2004.

of procedures demonstrates that this is not a common perspective. For many GoR officials, coordination should be a linear process with donors shifting increasingly towards budget support. Coordination around sector strategies would progressively lead to more donors adopting a programme approach, including basket funding, and ultimately moving towards budgetary support.⁶⁹ This viewpoint is shared by some donors, but not all. Indeed, at the DPCG meeting of 4 March 2004, the UN Resident Coordinator was promoting a particular trajectory in terms of harmonising projects in line with budget support donors. There appeared to be some hostility amongst certain project donors about being pushed down this path.⁷⁰ As we saw in the previous chapter, there are signs that more donors are adopting a programme approach, but this does not imply that budget support will follow.

Conclusion: issues, constraints and questions

As fieldwork was being conducted for this study, coordination became increasingly topical. When asked about coordination during a first round of interviews between September and November 2003, most donors indicated that they were involved, but several pointed out that it was very time consuming, they had limited resources to devote to it, and that very little was happening in comparison to other countries with which they were familiar. By the end of 2004 coordination was occupying a more central role, with a growing sense of peer pressure to demonstrate performance. By this time preparations for the Paris Forum on Aid Effectiveness were underway. Throughout 2004 many donors were preparing Harmonisation Action Plans; regional workshops had been held in Asia, Latin America and Africa to provide input to Paris; a number of case studies had been carried out; and the search was on for examples of best practice.

Although donors have signed up to the harmonisation agenda at the international level, the actual processes of coordination in a country like Rwanda demonstrate considerable complexity. By the end of 2004 a great many activities were underway that could be classified as ‘coordination’: information sharing; matrices of funding; sectoral meetings; GoR-donor-NGO forums; joint reviews and missions; thematic meetings; basket funding arrangements; harmonisation frameworks and agreements. The GoR and donors were devoting a large amount of time to these. The first task on the HARPP Principles list was to establish structures for enhancing donor coordination⁷¹ and this had certainly been achieved in Rwanda.

At the same time, there are a large number of practical and theoretical questions arising and remaining to be resolved about coordination in practice in Rwanda. The international declarations which underpin aid relations imply that there is a unity of vision amongst actors. This overview illustrates that different actors have very

⁶⁹ Interventions by the Minister of Finance and Secretary-General of Minecofin, meeting on Harmonisation of Budget Support, 17 November 2003. Interview, Director of Macro-Economy, Minecofin, 27 October 2003.

⁷⁰ Observations, DPCG meeting, Kigali 4 March 2004. It is interesting that in the early meetings of the HARPP, set up to bridge the gap between budget and project donors, the most active members were once again the budget support donors (Netherlands, EC, Sweden, UK). Some project donors have become more active subsequently, such as Switzerland, Germany and Canada.

⁷¹ HARPP Partnership Framework. Preliminary Draft for Discussion. Kigali, July 19, 2004.

different perspectives about what coordination should be achieving at different levels: political, administrative, operational, technical, sectoral, and on the ground; about who should be leading; and about what the expected outcomes are. To some extent, this reflects the differences between donor agencies which we explored in the previous chapter. Furthermore, the implementation of the PRSP through sector strategies has led to the development of a complex system of collaboration between internal government actors, wider members of Rwandan society and external donors. Donors are becoming increasingly involved in policy processes as aid patterns shift.

This chapter demonstrates that arriving at a consensus is far from easy. Beyond questions of mutual comprehension of the process lie more profound concerns about ownership, control and power. Coordination activities are taking place in a constantly evolving context. Alignment around the PRSP is closely related to the consolidation of a particular policy agenda, which in turn reflects the evolution of the national policy environment. Throughout 2003 and 2004, Rwandan government institutions were being transformed, new structures were being established and senior positions in ministries were changing hands. None of this was happening in a vacuum. Beyond the everyday meetings, workshops and seminars and the technical aspects of rendering coordination functional Rwanda itself was undergoing profound changes. This can be seen in the topics debated within the DPCG: the elections, Great Lakes regional relations, and African development initiatives.

Arguably many of the complications with coordination mentioned in this chapter could be attributed to teething problems, the particular circumstances of Rwanda or a lack of clarity throughout the aid system about the agenda. However, the way in which the GoR and donors interact within the framework of coordination is also symptomatic of deeper phenomena, closely linked to the different perspectives of donor agencies explored in chapter 3. Most importantly, debates around aid and coordination in Rwanda today cannot be divorced from the historical, political and policy context in which they sit. It is to this that we now turn.

From Emergency Aid to the Poverty Agenda: Donor-Government Relations in Rwanda 1994-2004

Introduction

The previous two chapters have given an indication of what aid looks like in Rwanda today. It is a very mixed picture, with considerable differences amongst donors in terms of their policies, objectives and strategies. Various instruments are being employed, with the project approach continuing to dominate. By 2002 donors had come to accept Rwanda's PRSP as the strategy around which to coordinate their aid. Mechanisms were being established to translate global agreements on aid effectiveness into practice, leading to the development of a complex coordination system within which very different perspectives can be observed.

Only eight years previously, Rwanda was a country in chaos, reeling from a civil war and genocide which had left the country socially and economically devastated. The international community had failed to act to halt the genocide, and most donor agencies had withdrawn from the country, only to return after the crisis was over. While international shifts in aid thinking and practice clearly frame the working relationship between the GoR and donors today, behind this lies the very specific context of the Rwandan experience. This legacy underpins the evolution of relations between donors and the Government established in 1994 in Rwanda, and profoundly affects the perspectives of all actors involved. Retracing the recent history of Rwanda's relations with donors and the international community provides important insight into the diversity amongst donors and into the GoR's perspectives on aid and donors. We have seen in previous chapters how decisions about how to engage with Rwanda are determined by a range of factors – political, practical and technical. Through an exploration of the recent history of aid, we can begin to understand the problems of translating the dominant international aid agenda into practice in a country like Rwanda.

This chapter traces the evolution of interactions between the GoR and donors between 1994 and 2004. It considers three periods in Rwanda's recent aid history, summarised in table 5.1. The first of these is 1994 to 1997 when aid primarily flowed as emergency assistance coordinated through the United Nations Round Table system. Donors were grappling with their individual histories in the country and ongoing events and the GoR was seeking to establish control over a country still wracked by crisis. The second period, 1997-2000, saw the consolidation of policy-making within the GoR and a shift from humanitarian aid to more development-oriented assistance. There was a move away from the UN-sponsored aid mobilisation system to negotiations with the World Bank. This period also saw the rise of new donors championing the GoR and calling for increased direct support. However, although Rwanda was stabilising internally, it was engaged in war with the Democratic Republic of Congo (DRC) which impacted upon donor willingness to provide assistance. The third period, from 2000-2004, brings us to the situation described in chapters 3 and 4, with donors coming together around an agreed poverty

reduction strategy, establishing coordination mechanisms, yet continuing to be affected by broader political events in the country and region.

Table 5.1 History of Aid in Rwanda 1994-2004

	1994-1996/97	1997-2001	2001-2004
Socio-Political Context	Emergency → Reconstruction Ongoing insecurity and stabilisation issues: <ul style="list-style-type: none"> ▪ refugee return (Dec 1996-Jan 1997) ▪ justice challenges ▪ human rights issues ▪ frequent government reshuffles 	Insurgency in northwest (1997-1998) Internally, economy stabilising and security normalising Regional insecurity remains 1998-2002: Rwandan troops involved in conflict in DRC Reintegration/resettlement of population (emergency over) 1999 & 2001: local elections	2003: Constitutional referendum; Presidential and Parliamentary elections (transition complete) 2001 Lusaka Accord; 2002 Pretoria Agreement → end of conflict with DRC but tensions remain 2004 Rwanda threatening to take action in eastern DRC again Rwanda joins East African Community, NEPAD
National Policy Environment	Poor policy environment Emphasis on emergency rehabilitation, resettlement and reconstruction No long-term development objectives Policy supported by UN Ministries functioning with minimal resources. Strong discourse against the international community linked to genocide and post-genocide response	1998: Internal policy discussion begins; ESAF negotiated with the IFIs 1999: first drafts of Vision 2020. 1999: preparation for PRSP 2001: interim-PRSP adopted Strong external involvement in policy processes. GoR making increasing demands for aid in programme form and debt relief	2002: final PRSP adopted Becomes focus of relationship between GoR and donors. By 2004, onus on transforming the PRSP into strong, sector strategies. Capacity still problem, with heavy reliance on technical assistance GoR calling for alignment with national budgeting processes; long-term, flexible, predictable support.
Donors and Aid	Aid through UN agencies and NGOs 1994-1996 Humanitarian aid to refugee camps outside Rwanda Gradual resumption of bilateral aid by 1996/97 (projects) Limited direct support to GoR Main donors: EC, Netherlands, Japan (through UN Trust Fund); Germany and Norway; Many 'old' donors struggling to come to terms with events Some doubts about legitimacy of GoR	Aid reduced as humanitarian programmes wind down (Norway, Japan, Austria disengage) Rise of 'new donors' (UK and Sweden) IFIs replace UN as prime movers Rwanda as 'special case' for assistance, Split between positive donors like UK and more sceptical ones Shift towards more programme aid and budget support	Still split between those increasing and those decreasing (or stabilising) aid. UK is largest bilateral donor Old donors re-asserting position (e.g. Belgium, Japan, Canada) Aid instruments: split between project and budget support; debates around sectoral support Variety of channels used, often with a geographical or sectoral focus determined by donor rather than recipient interest
Aid Coordination	Large number of NGOs and UN agencies active – minimal coordination/coherence Weak absorption capacity in GoR. Round Table (RT) process 1995-1996 organised by UN outside Rwanda GoR bitterness about failure of donors to fulfil pledges	RT process ends as bilateral donors re-establish direct programmes 1997: first Partnership Talks held to mobilise direct support Process driven by UK and WB 2000: annual Development Partner Meetings (DPM) begin in Rwanda GoR establishing own coordination mechanisms, e.g. CEPEX	2001: DPM adopts PRSP as framework 2002: DPM adopts 'cluster' system for coordination of PRSP implementation Mechanisms established: Development Partners Coordination Group; various technical working groups Large number of coordination mechanisms, but problematic conceptually and practically 'Ownership' of process debatable

The Emergency Response to the Genocide and the Round-Table Process 1994-1997

The response of humanitarian aid organisations¹ to the crisis in Rwanda in 1994 has been widely documented (Borton, Brusset and Hallam 1996; van der Meeren 1996; UN 1996; Whitman and Pocock 1996; Storey 1997; Pottier 2002; Scherrer 2002; Terry 2002). As the genocide unfolded, the majority of non-Rwandan citizens and international organisations withdrew from the country, with the notable exception of the Red Cross. Only a small UN peacekeeping force remained, whose predicament has likewise been widely explored (des Forges 1999; Melvern 2000; Jones 2001; Barnett 2002; Prunier 2002; Dallaire 2003). But the humanitarian agencies were back in force by July 2004, both inside and outside Rwanda's borders. Externally, they provided assistance to the camps in Burundi and Tanzania as well as to the mass of refugees who crossed into Zaire² as the Rwandan Patriotic Army (RPA) advanced. These refugees were driven both by fear of persecution and by the former regime which fled the country taking with it all it could – population, military equipment, vehicles, mineral resources, and the entire local and foreign currency reserves of the central bank (Terry 2002). Images were broadcast around the world of the terrible conditions of the refugee camps, particularly in Zaire where tens of thousands died from disease. In stark contrast to the response to the genocide within Rwanda, military and humanitarian resources were swiftly mobilised to provide relief to the refugees.

Although around two-thirds of emergency and rehabilitation assistance went to the camps outside Rwanda (Kumar, Tardif-Douglin, Maynard, Manikas, Sheckler and Knapp 1996: 32), humanitarian aid also flowed into Rwanda, primarily through UN agencies and NGOs.³ By October 1995, up to 200 NGOs, some newly created for the task, had flocked to help the Rwandese begin the task of rebuilding the shattered country. Various programmes and mechanisms were established by multilateral agencies to mobilise and coordinate assistance, including the Secretary-General's Trust Fund (SGTF) for Rwanda, established in July 1994, the United Nations Trust Fund (UNTF), set up in December 1994, UNHCR Special Appeals, and UN Consolidated Inter-Agency Appeals (Stephens 1999). The SGTF aimed at meeting the immediate needs of the Rwandan Government in mid-1994 but received only limited donor input for a few humanitarian projects (UNDP 1996b). The UNTF, which operated until 2000, was more successful. This was targeted towards rehabilitation and government capacity building, providing quick-disbursing support for GoR identified projects within its overall rehabilitation programme. The UNTF undertook a substantial number of projects and programmes in fields such as justice, support to the local and national administration, urban rehabilitation, and refugees

¹ As noted in Chapter 1, this thesis focuses on bilateral aid agencies which are different from humanitarian aid organisations. The latter are mainly bodies of the United Nations or international NGOs. Bilateral donors, which work primarily with governments, tend to provide support for humanitarian relief efforts through these bodies.

² Zaire was renamed the Democratic Republic of Congo in 1997 when the government of Mobutu Sese-Seko was toppled by Laurent Désiré-Kabila.

³ For example, between July 1994 and January 1995, Ireland channelled around \$6 million through the UNHCR, the International Committee of the Red Cross (ICRC) and four Irish NGOs (UNDP 1995b: 120); the UK provided humanitarian relief of £60 million in 1994 through the European Union, ICRC, UNHCR, UN agencies and British NGOs (idem: 163).

and internally-displaced people. Although the funds did not go directly to the GoR, it was nonetheless accepted by the Government as a useful mechanism which responded to GoR priorities. By 1999 the UNTF had received over \$100 million from 15 bilateral donors – ranging from \$52 million from the Netherlands to \$200.000 from Spain and Finland (UN 2000a: 37). The main contributors were the Netherlands, Japan, Belgium and the UK, with some resources also provided by Ireland, Norway, Denmark and the USA (UNDP 1996b). Donors used this mechanism as a way of channelling resources quickly through a secure instrument, at a time when many bilateral donors did not have representations on the ground and there was a lack of faith in the GoR's own institutional capacity to manage funds.

In addition to these funding mechanisms, ad-hoc meetings were also convened, such as World Bank meetings in Paris in September and October 2004 to discuss an Emergency Recovery Programme (World Bank 1995), and in Geneva and Kigali on the education sector in October and November 1994 (GoR 1994). However, the main forum for bringing together bilateral and multilateral donors in discussion with the GoR to mobilise official aid resources for the reconstruction of Rwanda was the United Nations Round Table.

Round Table process and aid flows

The prime objective of the Round Table mechanism is to “foster dialogue and consensus between a developing country and its assistance partners on policies, strategies and programmes” (Stephens 1999: 2). Round Tables (RT), designed for the least-developed countries, began to be held in 1982 and represented a core coordination mechanism for reviewing the economic situations of countries and external finance to support them (Cassen 1994: 181). RT conferences had been convened for Rwanda in November 1990 to support the Structural Adjustment Programme (SAP), and in 1992 to discuss socio-economic reconstruction programmes to address the consequences of the civil war which erupted in October 1990 when the RPA invaded the country (GoR 1992). A further RT was planned for early 1994 following the signature of the Arusha Accords in August 1993, which officially brought an end to the civil war, laid the way for a Transition Government to come into effect, and foresaw the deployment of the UNAMIR peace-keeping force (UNDP 1994b).⁴ This conference did not take place because of the deterioration of the internal situation culminating in the genocide.

It was January 1995 before the next RT was convened, followed by a Mid-Term Review in July 1995 and another full conference in July 1996. Organised under the auspices of the UNDP, these all involved a very broad participation of donor

⁴ This document focuses on addressing the needs of internally displaced people (IDPs), as well as demobilised soldiers and their families. Mention is made of IDPs and refugees in Uganda and Tanzania from the early 1990s, but there is no mention of the long-standing issue of Rwandan refugees from earlier decades located throughout the region. The return of these was fundamental to the agenda of the Rwandan Patriotic Front (RPF). This omission reflects a lack of understanding about the broader regional dynamics of the conflict, and intentional and unintentional ‘blindness’ of the international community towards the brewing cataclysm (see Uvin 1998; Melvern 2000; Adelman and Suhrke 1996). The preparations for the 1993 RT reflected strong external faith in the flawed Arusha process: “With the signature of the Peace Agreement at Arusha on 4 August 1993, Rwanda resolved to embark upon a new era. Filled with challenge no doubt but also filled with hope... the return to peace and the possibility of sharing responsibility in running the nation's affairs offer an opportunity for a thorough reordering of the economy and of public finances” (UNDP 1994a: 10).

countries, observer states from Africa, multilateral agencies and international NGOs. Several thematic meetings were also held during this period on issues like food security, capacity building and humanitarian assistance. Primarily aimed at mobilising funds, these pledging conferences also offered the new GoR the opportunity to present itself to the international community and to put forward its plans and programmes for rehabilitation and reconstruction. Although the RT process was traditionally an occasion to present such agendas, it appears to have increasingly become an instrument for mobilising resources for post-conflict countries in the 1990s. Consequently, the GoR was seen as somewhat unique in using the RT not only to dialogue with the international community on its political concerns but also to present concrete programmes (Stephens 1999).⁵

The force behind the RT was the UNDP, which provided technical assistance to plan and organise the events, to monitor outcomes, and to prepare documentation and programmes. Given the severe shortage of capable manpower within the GoR at the time, it fell to the UNDP to 'take such matters in hand'.⁶ Indeed, support from the UNDP seemed to centre more on producing documents for the conferences than supporting Ministries to prepare them themselves, raising questions about the voice of the GoR in this process (UNDP/UNOPS 1997: 7). By the July 1996 RT, the World Bank was becoming increasingly involved, leading to some friction between the agencies. While the UNDP was helping to prepare a series of thematic papers, the World Bank was putting its energies into the Medium-Term Development Policy Framework Document 1996-98 and the accompanying Public Investment Programme (GoR 1996).

Despite the strong hand of the multilateral agencies in the RT process, from the outset the GoR struck a clear tone about its expectations. It was faced with a mammoth task, with very scant resources, and felt that the international community had a responsibility to respond:

the implementation of this programme will make it possible to restore the situation to "normal" by 1996 and will genuinely promote national reconciliation and the construction of a new Rwanda. On the other hand, if the programme were not carried out, if the people continued to live in a state of almost total deprivation and to depend on international humanitarian aid for their survival, if the State were left without the resources to play its proper part, if people lacked the means to pick themselves up and get on with their lives, insecurity would in all likelihood continue to prevail and the international community will again have to intervene in the face of an emergency. The Rwandese people therefore appeal to their partners to help them to achieve genuine human development on a new and lasting basis. (GoR 1995: 1)

The outcome of the RT process was disappointing for the GoR, however. Only a small proportion of the pledged funds were disbursed and only limited resources actually reached the Government. Donors preferred to use other channels, as the intervention of the UN Special Representative to Rwanda at the July 1995 Mid-Term Review meeting demonstrates:

⁵ This viewpoint was also expressed by a former UN Resident Representative in Rwanda (interview, Brussels, 27 May 2004).

⁶ Interview, UNDP project coordinator, Minecofin, Kigali, 16 April 2004.

all of us who attended the Geneva Conference were encouraged by its major achievement in mobilizing, in terms of pledges, an impressive amount of financial resources. The Government then waited during the next few months expecting that most of the pledged resources will automatically flow to Rwanda to meet the costs of salary payments and rehabilitation tasks. Their initial hope was not readily realized as the donor countries and international organizations moved through the time consuming process of making commitments, programming, disbursement and delivery. The Government had also to realize that much of donor contributions continue to flow to the humanitarian relief activities in support of internally displaced instead of those who have returned to their communes in need of rehabilitation. (UNDP 1995c: 60)

Indeed, by September 1995, of the \$707.3 million pledged under the RT process, \$523.1 million had been committed and only \$245.1 million disbursed. Of this amount, 31% was outside the priorities of the Rwanda Recovery Programme (Kumar 1996: 30). This record did not improve greatly over time. Of \$2.8 billion pledged between 1995 and 1997, only about \$1.5 billion or 65% was disbursed (Baaré, Shearer and Uvin 1999: 62). Moreover, aid flowing into Rwanda transited through a wide range of channels. Table 5.2 provides a breakdown of aid between 1995 and 1997, during which time 35% of aid came from bilateral donors, 29% from UN agencies, 30% from other multilaterals and 8% from NGOs (UNDP 1998: 25). By 1997 emergency aid was diminishing and investments were rising. This table also shows the high proportion of aid provided in the form of technical assistance (17-18%). Balance of Payments Support to the tune of \$113.2 million was provided in 1995, mainly as debt relief with bilateral donors paying off the arrears on debts incurred by the former regime to the World Bank, the IMF and AfDB.

Table 5.2 : Breakdown of Aid to Rwanda 1995-1997

	1995		1996		1997	
	\$ million	%	\$ million	%	\$ million	%
Technical Assistance	87	17	86.2	17	103.4	18
Emergency	181.8	36	234.1	48	57.8	10
Balance of Payments Support	113.2	22	31.7	6	37.4	7
Investment	121.4	24	140.2	28	238.4	42
Unspecified	3.2	1	0.4	0	131.6	23
Total	506.6	100	492.6	100	568.6	100

Source: (UNDP 1998: 25)

There are different explanations about why limited funds flowed directly to the GoR at this time. As we have seen, a large proportion of aid was allocated to refugee and displaced peoples' camps rather than the Rwandan administration. Disbursement was also affected by the bureaucratic procedures of donors which were often ill-adapted to realities on the ground. Projects were often too oriented by the perceptions of the implementing institutions rather than being designed in participation with local experts or the ultimate beneficiaries. Translating aid pledges into actions was hampered by the weak absorption capacity of the Rwandan institutions and economy, where qualified manpower and systems to programme, manage and monitor activities were lacking. Coordination of aid was a major problem, partly due to the

weak institutional capacity of the GoR and partly due to donor systems, complicated still further by the vast number of actors involved. Poor information flows and donor preferences based more on expediency than on any analysis of real needs led to overlap in some sectors and geographic areas, inconsistencies in the practices of different donors, and neglect of other sectors (Stephens 1999: 8; UNDP and GoR 1999: 19, 53).⁷ The overall result was that some projects were not fully carried out for lack of resources and others were encumbered by delays (UNDP 1998). At the same time, the GoR was clearly receiving some support from donors. The UNTF financed a series of projects aimed at rehabilitating and strengthening government institutions, and projects were being undertaken by different multilateral donors. By 1996 many bilateral donors had restarted direct programmes, such as Belgian support to the Ministry of Justice and German support to the Ministry of Finance (UNDHA 1996). Moreover, many donors provided in-kind support to the GoR, ranging from substantial technical assistance to strengthen institutional capacity to the provision of small but essential items on an ad-hoc basis to ministries, such as office equipment and vehicles.

There is no evidence to suggest that the GoR refused this material and technical support, although most of it was going directly to line ministries rather than the central Finance and Economic Planning ministries. This contrasts with the public frustration of the GoR about the international response to Rwanda's needs. It was particularly aggrieved about the limited resources coming to the Government's central budget in contrast to the quantities flowing to the refugee camps outside Rwanda's borders. Despite the large amounts pledged, few resources were actually provided to allow the GoR to implement its own programmes, many of which remained under-funded. One example is the programme presented at the Mid-Term Review in July 1995 to address refugees and repatriation, an area of core concern to donors, in which the GoR sought to focus attention on the developmental and rehabilitation side of the refugee question away from the humanitarian side (Stephens 1999: 10). Donors, however, preferred to use multilateral channels to deliver relief rather than supporting the GoR's own programme. The GoR consequently vacillates between thanking the international community for its support and chastising donors for not providing the resources to deal with the aftermath of a crisis which they had done nothing to prevent. As far as the GoR was concerned the international community had been inextricably implicated in the crisis through its implicit and explicit support for the Habyarimana regime and through the actions of the UN Security Council.⁸ Speeches by high-level Rwandan officials at the RT conferences demonstrate a growing bitterness that donors were failing to treat Rwanda as an exceptional case.⁹

⁷ One example provided by a Rwandan official was of micro-finance projects where rates of interest varied from district to district depending upon which donor or NGO happened to be active at a given time; similar situations were observed for the delivery of public services, such as housing, water and schools (Interview, CEPEX, Ministry of Finance and Economic Planning, Kigali, 9 October 2003).

⁸ For example, Juvenal Nkusi (Head of the Rwandan National Assembly at the time) states 'In the past, Rwanda benefited from aid which allowed it to build schools, health centres, cultural centres, meeting halls, etc. Public and private organisations and NGOs invested, but they invested in a bad system, one which swept it all away in 100 days!' (UNDP 1995a: 58, translated from French).

⁹ See the interventions of President Bizimungu, Prime Minister Twagirimungu, Planning Minister Birara and Vice-President Kagame (UNDP 1995a); Prime Minister Rwigema and Planning Minister Birara (UNDP 1996a).

These interventions also displayed frustration that much of the aid was transiting NGOs and implementing agencies without the GoR being sufficiently informed; that agencies were not always respecting the priorities of the GoR; that agencies were not transparent enough in their actions yet the GoR would be accountable for the use of resources; that aid was too oriented towards donor sectors of interest (such as justice); and that aid was too emergency-focused with negative consequences, such as the provision of food aid affecting the normalisation of rural food production. The Government was concerned that it would be “seen by the people as having surrendered responsibility for the reconstruction and rehabilitation of the country” to external agencies (UNDP 1995a: 144).

This reflects the question of GoR ‘ownership’ of aid. Throughout this period, the GoR was demanding greater control over resources in the name of policy coherence and to ensure that aid was attuned with GoR programmed sectoral priorities. At the conferences, the GoR presented its plans for better internal coherence between ministries, with overall responsibility lying with the Ministry of Planning, and for better external coordination, particularly the circulation of information between headquarters and donor representatives on the ground.

The GoR’s strongest criticism, however, was of aid delivered by NGOs, often without GoR knowledge. In 1995, the GoR Ministry of Rehabilitation and Social Integration had established, with UN support, the Humanitarian Assistance Coordination Unit which acted as a forum for information sharing and regular meetings between the GoR, UN agencies and NGOs. Relations were increasingly strained, however, and in December 1995 the GoR suspended the operations of 18 NGOs and 38 were told to leave within a week, of which one third were French (Baaré *et al.* 1999: 14). While recognising the value of NGO work, the GoR was nevertheless overtly hostile:

The NGO community has greatly assisted the population of Rwanda... The success however pronounced cannot overshadow the feeling or the debate relating to the efficiency/effectiveness relative to the amount of funding provided to Rwanda through NGOs. (GoR 1997: 26)

Reports produced in 1996 and 1997 claimed NGOs were uncontrolled, uncoordinated, competitive, diverting human resources from the Government, often overlapping in some areas while completely neglecting others, not cooperating in evaluations, not transparent about budgets or activities, lacking in qualified staff, spread too thinly, and encouraging limited knowledge transfer (GoR 1997).

However, poor performance, slow disbursements and inefficiency were not just attributable to bureaucratic procedures. Underlying the provision of resources was a growing concern over political events within Rwanda and the region which affected donors’ perceptions of the new regime in Kigali, particularly those with a more long-standing presence in the country.

Socio-political context and donor responses

The Round Table meetings did not take place in a vacuum, and interventions at the conferences clearly demonstrated donor preoccupations with the turn of events in Rwanda and the Great Lakes region. As soon as it had taken power, the new regime in Kigali had to reassure the international community of its commitment to creating a climate of peace and security, to achieving national unity and democracy through the

establishment of a broad-based government, and to addressing the issue of refugees. Indeed, the return of the refugees and the treatment of IDPs dominated discussions throughout 1995 and 1996. For the donors, addressing this question was considered essential to creating a foundation for reconciliation and economic recovery, including assuring internal security, establishing an effective justice system, respecting human rights, and democratisation. This was present beneath the surface at the January 1995 RT despite the generally positive atmosphere: expectant on the part of the GoR, and supportive on the part of donors. The July 1995 meeting was another matter, a reminder that the internal situation was far from stable:

donor countries and international organisations were concerned as the number of arrests and the security situation began to deteriorate in many parts of the country. Mutual doubt reached its peak at the time of the outbreak of the Kibeho events in late April. (UNDP 1995a: 60)

The Kibeho incident referred to here was something of a watershed in post-genocide relations between the GoR and the international community, brought up frequently by those analysing post-genocide relations (see da Câmara 2001; Pottier 2002). In the immediate aftermath of the genocide, the new regime was faced with rebuilding the economy of the country from scratch, but also with ongoing security concerns from hostile elements located within and outside its borders. Internally, the main issue was the *Zone Turquoise*, a ‘safe humanitarian zone’ established in the south-west of the country by the French during the genocide to which many Hutu, including members of the Habyarimana government, fled as the RPA advanced (Terry 2002: 163). Camps for IDPs in this area became “festering sores where former *Interhamwe* hid and from which they carried out terrorist raids” (Prunier 2002: 363). In April 1995 the GoR took decisive action to empty by force the final camp at Kibeho, resulting in the massacre of thousands of people. The number of casualties, whether they were innocent civilians or armed *Interhamwe*, is highly disputed. Prunier sets the figure at around 4000 drawing on the eyewitness account of a UNAMIR doctor, noting that newspaper reports mentioned around 2000 deaths (Prunier 2002: 363); the GoR on other hand admits to the deaths of just over 300 people in its operation to “liberate the innocent population from the *genocidaires* who were holding them hostage” in what it termed “a sanctuary of criminals” (GoR 1999a: 4).¹⁰

This incident led a number of donors to suspend some of their aid, including Belgium and the European Commission (Pottier 2002: 165). Both the Belgian cooperation minister of the time, Eric Derycke, and the Dutch cooperation minister, Jan Pronk, condemned the massacre as ‘brutal’ and ‘planned’ (quoted in Pottier 2002: 77). The reaction was by no means uniform, however, with the USA and UK backing the GoR over the incident (idem: 165-166). Much of this aid was resumed by July 1995 after the GoR published a report into the incident, but the events had the effect of planting “seeds of doubt” for several donors about the GoR.¹¹ At the July 1995 RT, the Belgian representative stated that Kibeho had eroded the mutual

¹⁰ *Interhamwe*, meaning ‘those who work together’, was the name of the militia created by the Habyarimana regime which was widely responsible for the slaughter during the genocide. *Génocidaires* is the term used in Rwanda both by French and English speakers to describe perpetrators of genocidal acts.

¹¹ Interview, FCO official, London, 4 June 2004. The British response to Kibeho was to accept the explanation given by the GoR of an operation ‘gone wrong’.

understanding between partners (UNDP 1995a: 97). For the Dutch it constituted a “serious crisis of confidence and a break in otherwise encouraging political, economic and social developments” (idem: 116).

The question of hostile militias located within the IDP camps inside Rwanda was the thin end of a much broader problem, however. The refugee camps, located very close to Rwanda’s borders in eastern Zaire, housed genuine refugees, killers evading justice and members of the former regime. Co-opting humanitarian aid and controlling to a great extent the population within the camps, the former regime was able to prepare itself for an armed return to Rwanda, with the tacit support of the Zairian authorities. Raids into Rwanda launched from the camps began soon after the exodus creating a climate of insecurity within Rwanda (Terry 2002). This situation was recognised by the humanitarian agencies, giving rise to a moral dilemma for many and the withdrawal of some, such as *Médécins Sans Frontières* from the Zairean camps in September 1994 and the Tanzanian camps in November 1994 (Prunier 2002: 313). The presence of the camps also exacerbated ethnic tensions in eastern Zaire (Longman 2002; Pottier 2002; Prunier 2002; Terry 2002).

Although the destabilizing effects of the camps and Rwanda’s legitimate security concerns were recognized by the international community, no consensus was reached about how to deal with the problem. The refugee question came up for discussion frequently in donor talks with the GoR, as well as whether the GoR should be attempting to negotiate a settlement with the former regime. Indeed, a pattern emerges from RT reports between those donors concentrating on technical remarks, such as concerns about absorption capacity of aid and institutional strength, and others making more political statements, in effect laying down conditions for their support. In the former group fall donors like Australia, Austria, Canada, Japan, Ireland, Italy, the UK and Sweden. The latter group includes Belgium, the Netherlands, Canada, Germany, Switzerland and France, whose concerns focused on: the return of refugees; property rights; impunity, justice proceedings and prison conditions; reconciliation and dialogue with Rwandans outside the country, including in the refugee camps; democracy and human rights (disappearances, arbitrary arrests, detentions without trial); and dialogue with neighbouring countries. For some of these donors, the resumption of bilateral aid in 1995, suspended during the genocide, was conditional upon certain demands. For example, “the respect of human rights, the rule of law and democracy [were] prerequisites for a normalisation of political relations and cooperation” with Germany; Belgian aid was conditional upon aid benefiting the entire population, being proportional to political progress, and favouring real reconciliation (UNDP 1996a). The USA, Norway and the European Union were also making more political statements by mid 1996.

The issues raised here reflect the second major concern of donors during this period, namely that of Rwanda’s internal governance. Indeed, as Prunier observes:

The terrible paradox of Rwanda’s situation in the aftermath of the genocide was that, while it needed economic aid above all else in order to try and make a fresh start, the main preoccupation of the potential foreign donors was that the political conditions should be right. (Prunier 2002: 328)

In forming the Transitional Government of National Unity on 17 July 1994, the Rwandan Patriotic Front (RPF) committed itself to establishing a power-sharing, broad-based government during a transition period leading to multiparty elections. The Transitional National Assembly was created in November 1994. In doing so, the

RPF was abiding by the terms of the Arusha Accords signed in August 1993, albeit with some modifications. The Transitional Government only included those parties which had not actively participated in the genocide, and the position of the RPF within the Government was strengthened (Reyntjens 2004). By December 1994, the Transitional Government had adopted a Declaration of Principles for the 'New Rwanda', laying out its vision for political, economic and social reform, which we will return to in chapter 6.

At the same time, the new regime was also carving out its political space in a hostile internal environment, where stability was not yet fully established. Accounts indicate that not all members of the new government were on the same wavelength, with the "precarious security situation, as well as the latent ethno-political tensions which had been radicalized during the genocide, [beginning] to cause serious dissent in the new government" (Kimonyo, Twagiramungu and Kayumba 2004: 7). Space for freedom of political expression was limited in order to combat divisionary politics and to contain internal security. The early years following the genocide saw frequent re-organisation of government ministries and Cabinet reshuffles (Reyntjens 1999a, 2001). There were incidences of human rights abuses committed by soldiers and left largely unaddressed (Prunier 2002: 324-325). By the second half of 1995, prominent politicians including Prime Minister Faustin Twagirimungu, the Interior Minister and the Justice Minister had resigned and many prominent members of government and the civil service were fleeing the country amid allegations of discrimination and violations of human rights (Reyntjens 2004). Such events led to criticism of the internal political process in Rwanda, condemning the concentration of power in the hands of a small RPF clique (Reyntjens 1999a). This situation becomes more important by 1997, as we shall see.

These events are reflected in the statements being made by donors at the RT conferences, in their demands on human rights, democratisation and reconciliation. Behind these statements lies the fact that many donors were still coming to terms with their own implication in Rwanda's crisis and had not reached anything like consensus on what they thought of the new regime. On the one hand, donor support reflected a sense of moral responsibility towards Rwanda. At the January 1995 RT the United Nations' statement highlighted the "humanitarian duty" of donors to respond to Rwanda's needs, and Belgium urged the international community to assume its responsibilities (UNDP 1995b). On the other hand, the more critical statements and demands at the RT conferences generally came from those donors who were important players prior to the genocide, such as France, Belgium and Germany. For several donors, this was a period of soul-searching about what had happened in a country widely portrayed as a 'development success story' in the 1980s and even early 1990s (Uvin 1998). A comprehensive study of the international response to the crisis was commissioned by the Danish Government (Eriksson 1996); Switzerland, Canada and the USA conducted their own studies (Larose-Edwards 1994; Kumar 1996; Voyame, Friedli, Gern and Keller 1996); Belgium and France held parliamentary enquiries, published in 1997 and 1998. Academics in these countries also explored their countries' involvement.¹²

As we saw earlier with regard to aid flows, the GoR reacted quite strongly to the response of the international community to the crisis. The stances being taken by

¹² On the roles of France and Belgium pre-genocide see for example Verschave (1994), Willame (1997), Ambrosetti (2000), Willame (2000) and Prunier (2002).

donors on refugees and democratisation raised considerable bitterness, especially demands that the GoR negotiate with the former regime and allow the early return of the refugees without true comprehension of the complexity of the problems. Prunier writes how these demands were met with “uncomprehending amazement from the new authorities” (Prunier 1997: 315), more so as it was clear that there was little remorse evident amongst the *génocidaires* and that the calls for national reconciliation and a regional dialogue were coming from donors implicated in the crisis, such as France and Belgium.¹³ Speeches by senior Rwandan political figures at the Round Tables in July 1995 and July 1996 indicate that the GoR was in favour of democratisation but was adamant that it would not enter into dialogue with “any old association whose principal objective is to sow confusion” (UNDP 1996a: 68). This experience appears to have left a lasting trace amongst Rwandan officials, with one informant describing the conditions as “shocking” and aimed at “irritating the government as much as possible”.¹⁴ Moreover, Stephens notes how Rwanda was subject to “unfairly heavy scrutiny of its domestic and sub-regional political actions”, going beyond economic reform and good governance to “specific intrusions into areas that touched on Rwandan national security” such as human rights, the judiciary and involvement in the DRC. This gave the GoR the sense that political conditionality “was being unequally applied to Rwanda in comparison to other neighbouring countries” (Stephens 1999: 20).

At the same time, despite this rhetoric coming from donor agencies, in reality the international community did little to force GoR compliance or to hold the GoR to account for human rights abuses. Indeed, there was a positive lack of pressure with regard to suspected RPF human rights violations, which reflects the broader phenomenon of ‘genocide credit’, whereby many donors gave the new Government considerable leeway. As Prunier observes,

any hint that the RPF might be guilty of massive human rights violations is immediately countered by the present regime with an indignant reminder of the genocide, and since the international community has lost any moral right to call the RPF to task because of its passivity during that tragic time, the question is unresolved. (Prunier 2002: 362)

Likewise, there was a limited reaction when the Alliance of Democratic Forces for the Liberation of Congo-Zaire (AFDL), backed by Rwanda and Uganda, took decisive action to close the refugee camps in Zaire by force in October 1996, and then went on to topple the Mobutu government in Zaire within five months (Pottier 2002). Terry notes how the GoR denied direct involvement in this operation until July 1997 although its involvement was widely assumed; ultimately the closure of the camps suited the international community which had reached an impasse on what to do (Terry 2002: 184-185). The closure of the camps led to a mass return of over a million refugees in less than two months from Zaire and Tanzania. The changing demands on the GoR brought about by this mass influx, coupled with the GoR’s disappointment with the mobilisation of resources through the RT mechanism led to

¹³ See, for example, the statement of the Belgian Secretary of State for Development Cooperation in January 1995, calling for dialogue with former civil servants and soldiers (those who are not guilty of genocide) to facilitate their reintegration, as well as dialogue with neighbouring countries and the organisation of a national debate on reconciliation (UNDP 1995b: 123-124). Such demands also came from the USA in 1995 (Terry 2002: 172).

¹⁴ Interview, UNDP project coordinator, Minecofin, 16 April 2004.

a new approach being adopted.¹⁵ It increasingly turned away from the UN towards the International Financial Institutions (IFIs) for support.

From Emergency Assistance to Budget Support: Rwanda as a 'special case' 1997-2000

During the post-emergency period of 1994 to 1996 there was general agreement amongst donors about the need to help with reconstruction and rehabilitation in Rwanda. However, we have also seen that not all donors were thinking alike, with some taking a more critical stance towards the new Government than others. Between 1997 and 2000, this divergence in views began to come out more strongly. On the one hand, there were positive assessments of the progress the GoR was making in terms of establishing social, economic and political order. To support these efforts, various attempts were made at mobilising direct support for the GoR. On the other hand, continuing insecurity in some parts of the country and in the wider region, compounded with questions about the intentions of the regime with regard to the internal political process raised concerns in other quarters. A stark difference emerged between the IFIs and a few 'new' bilateral donors on one side, and a larger group of more critical, often 'traditional' donors, on the other.

By 1997, new avenues were opening up for the GoR for assistance. In the minds of Rwandan officials, the RT process had achieved as much as could be expected, although the UN continued to support thematic group activities in 1997 and 1999 with the aim of developing priority sector strategies (Stephens 1999: 12), as we saw in chapter 4 (footnote 9), and the Trust Fund continued until 2000. The circumstances facing the GoR were changing rapidly, with policy barely keeping pace. With the return of the refugees, sectoral programmes prepared during 1996 were quickly outdated, and the planned RT Mid-Term Review of 1997 and full RT for 1998 never took place. By this time many bilateral donors were re-establishing bilateral programmes and representations in Rwanda, leading to less reliance on UN agencies. Moreover, the IFIs were producing positive assessments of Rwanda's progress in its economic recovery (IMF 1997; World Bank 1997). This period therefore saw an overlapping of emergency aid and reconstruction aid with the regime expressing a desire to move rapidly from an emergency situation to one of sustainable development. Turning to the IFIs as a means of accessing the necessary resources to cope with the budgetary pressures caused by the return of the refugees and to fund longer term development plans was especially important in light of decreasing aid resources. As we saw in figure 3.2 (p.51) the reduction in aid following the closure of the camps was not accompanied by a rise in support for the resettlement process. As in the earlier period, this was greeted with frustration by the GoR:

¹⁵ One informant was of the opinion that the GoR had never really had any faith in the RT process; that they were persuaded into it by the UN. The July 1996 meeting was recalled as a 'disaster' and a 'non-event' with the GoR making inflammatory statements, signs of donor fatigue, and concerns about human rights (telephone interview, former UK civil servant, 23 August 2004). Another called the same meeting 'awful', adding that the RT process was badly managed throughout (interview, former UK civil servant, London, 2 June 2004).

The Government, in reality, received very little external assistance to respond to this massive refugee return.¹⁶

In 1997 Rwanda began to negotiate an Enhanced Structural Adjustment Facility (ESAF) with the IMF which was signed in June 1998 (GoR 1999a: 62). Officials admitted that perhaps Rwanda was not quite ready at this stage, but they also felt that Rwanda had little choice if it wanted to secure resources, and loans would also allow for greater control.¹⁷ This situation shifted coordination processes away from the UN agencies and brought the World Bank more to the fore, with Rwanda acquiring Consultative Group status. As we saw in table 3.7 (page 60) the IFIs had been present throughout the emergency years, in particular the World Bank, mobilising donor support for emergency grants worth \$20 million in August 1994, \$50 million in January 1995 and another \$50 million in 1997 (World Bank 1995; Kumar 1996: 42; IMF 2004).¹⁸ In 1997, the IMF approved two emergency post-conflict credits to Rwanda of \$12 million and \$8 million (IMF 1997).

In July 1997, at the request of the GoR, a meeting was organised by the World Bank in Paris to mobilise budget support to meet the challenges of settlement and reintegration, as well as to continue the socio-economic reconstruction of the country (World Bank 1997: 3). This was set out in the Reintegration, Reconstruction and Transition Programme, designed by the GoR, World Bank and UNDP, discussed with donors in December 1996 (Minecofin 2004b) and adopted in March 1997. The World Bank's background paper for the 1997 meeting laid down plans to improve Rwanda's economic management and focus attention on education, health and public services, while rationalizing the civil service. It noted commitments to the budget from the AfDB, the Netherlands, and the EC with small amounts in counterpart funds from Belgium and Japan (World Bank 1997: 7). For its part, the GoR called for direct budget support to help service internal and external debt, to launch the demobilization programme, to provide the initial basis for the Genocide Survivor's Fund and to support general development programmes, helping to improve absorption capacity.¹⁹

The organisation of this meeting by the Bank was a clear demonstration of the changing coordination system with the IFIs replacing the UN as the prime movers. This was not uncontested, however, as communications between the World Bank and the UN in 1998 indicate.²⁰ Tensions were mentioned by Stephens (1999: 21) and by a number of informants. The Bank claimed that it should have the lead role as it was more involved in most sectors and the UN accused the Bank of undermining the RT process, with neither institution wanting to cede control. One official in Kigali described the UNDP as seeing itself as the 'absolute master' of the coordination process over the 1994-1998 period, taking a paternalistic approach towards the GoR,

¹⁶ Speech of Minister J-B Birara, Minister of Finance and Economic Planning, Donor meeting on budget support, Paris 24 July 1997 (translated from French).

¹⁷ Interviews, Minecofin, 5 and 16 April 2004. One UN informant saw this move as a GoR desire to project an image to the outside world of a stable Rwanda (interview, former UN Resident Coordinator, Brussels, 27 May 2004).

¹⁸ Disbursement of the early credits was problematic, however. Kumar (1996: 29) observes that by the end of 1995 direct funding to GoR under the WB credit had not been disbursed. The earlier allocation of \$20 million in August 1994 saw a weak disbursement record also, with only 60% of the first tranche of \$11 million spent by January 1995.

¹⁹ Speech of J-B Birara, Paris 24 July 1997 (op.cit.).

²⁰ Fax messages between UNDP Kigali and UNDP Headquarters, dated 09.06.98 and 20.05.98.

and wanting to increase its role by undertaking its own projects. For another informant, the overlap and tensions merely added to GoR perceptions of the lack of unity within the international community.

The 1997 meeting was not a success; indeed, one informant said that it ‘failed completely’.²¹ No official written record could be traced and it apparently failed to rally donors due to the location (in France) and the timing, given the outbreak of the insurgency in the northwest of the country in May 1997 and alleged violations of human rights committed by the RPA, to which we will return below. The cause of budget support was not dropped, however, and a further meeting was convened in Sweden in 1998, again oriented towards mobilising direct support for the GoR. The meeting was chaired by the World Bank, but by this time the GoR was receiving increasing support from new, bilateral quarters, notably the UK and Sweden. The UK in particular was becoming a strong proponent of the new Government in Kigali.

As we saw in chapter 3, prior to the genocide the UK had provided no bilateral assistance to Rwanda. It established a presence in the immediate aftermath which, although negligible in monetary terms over the 1994 to 1997 period, was highly supportive of the new regime in political terms. The UK government which came to power in 1997 heralded a new commitment to international development, and Rwanda became a focal point of UK aid. By 1999 the UK was Rwanda’s principal bilateral donor, providing substantial quantities of budgetary and institutional support. The UK, and to a lesser extent, Sweden began to push a new agenda of support for Rwanda, fighting its corner on the international stage, providing aid directly to the GoR, and ushering in a new phase in coordination meetings in Brussels and Stockholm in 1998, London in 1999, then Kigali since 2000. These meetings had a different flavour to the RT conferences which had been about mobilising funds through pledging. Now the emphasis was on a dialogue between partners to muster support for Rwanda’s development programmes, with the GoR calling for long-term and flexible support to address education, health and poverty, through budget support and external debt relief. The UK had a strong hand in organising these meetings; it saw the RT process as badly managed and was keen to help Rwanda gain Consultative Group status with the IFIs in order to address hard questions on the budget at a time when it was preparing a budget support programme for Rwanda. The UK’s presence on the Boards of the IFIs gave it weight in pushing this agenda.²²

The Brussels meeting, held at the British Embassy on 18 May 1998, and the Stockholm meeting in July 1998 sought to focus attention on Rwanda as a ‘special case’ for assistance in light of its specific circumstances. This term peppers the documentation of these meetings, with the GoR presenting “the ‘special’ case of its position”²³ and the press release from Stockholm highlighting how “donors recognized that Rwanda [was] a special case.”²⁴ Policy papers produced by some donors around this time mirror this language:

²¹ Interview, Director of Macro-Economy, Minecofin, 2 March 2004.

²² Interview, former UK civil servant, 2 June 2004.

²³ Donald Kaberuka ‘Rwanda’s External Financing Requirements for the Transition from Emergency to Sustainable Development 1998-2000’, Statement prepared by the Rwandese Authorities for the Stockholm Meeting, June 2-3 1998.

²⁴ Press release, Donor Meeting on Rwanda, June 2-3 1998, Stockholm.

The case for treating Rwanda as a *special case* remains valid today as in 1998. Rwanda needs exceptional international support in its efforts to tackle the legacy of the 1994 genocide, and the attendant difficulties in re-building a legitimate state and a tolerant society. (World Bank 1999: 11, emphasis in original)

The Government of the United Kingdom recognises the efforts made and the progress achieved ... to secure post-conflict recovery in Rwanda. It believes that Rwanda should be treated as a special case for international assistance. It recognises that without substantial, sustained and flexible support from the donor community it will not be possible for the Government to manage the difficult transition from conflict to peace and stability. (DFID 1999: 9)

One year after the Stockholm meeting, a further gathering took place in London on 22-23 July 1999, instigated by UK Secretary of State for International Development, Clare Short, in discussion with Rwandan Vice-President Paul Kagame with the aim of laying the foundation for regular dialogue between the GoR and development partners.²⁵ It followed a similar pattern to the Paris, Brussels and Stockholm meetings focusing primarily on budget and sector support to plug budget financing gaps and fund work in the social sectors. By this time poverty was becoming a central theme in the policy process: the UK had tabled its Country Strategy Paper for Rwanda (DFID 1999), the World Bank had a new Country Assistance Plan (World Bank 1999) and the UNDP had produced a Poverty Paper. The GoR had also produced a draft paper in which the foundations were laid for a national poverty reduction strategy (see chapter 6). Coordination and aid coherence were on the agenda, with the establishment of a working group to provide recommendations for improving aid coherence, coordinated by the UNDP which was given a renewed mandate for aid coordination, involving the GoR, UK, the Netherlands, Canada, Sweden, World Bank, IMF and the AfDB.

However, as with earlier conferences, pledges and disbursements made at these meetings fell short of GoR expectations. For example, of \$27 million pledged to the Multilateral Debt Trust Fund established in Stockholm to meet debt service obligations prior to eligibility for debt relief under the Highly Indebted Poor Countries (HIPC) initiative, only \$12 million had been paid by mid-1999 from the UK and Sweden. Pledges made in Stockholm of \$247 million in support of Rwanda's economic reform programme fell well short of the \$767.2 million requested. These pledges came from the World Bank, EC, UK, the Netherlands, AfDB, Sweden, Canada and Switzerland (Stephens 1999: 11-14). In London, new commitments were confirmed by the World Bank, AfDB, EC, UK and the Netherlands with total pledges amounting to \$140 million (UN 2000a).

The forces behind these meetings, the agencies getting involved in coordination efforts and the pledges made point to a growing gap between the IFIs and Rwanda's 'new' donors on the one hand, emerging as 'champions' of the GoR, and Rwanda's 'traditional' donors on the other, who seemed increasingly sceptical about the direction the country was going. Underlying this gap lay very different perceptions of the socio-political situation in Rwanda.

²⁵ Letter from Clare Short to Mark Malloch-Brown, UNDP New York, dated 22 June 1999. In this Short states that she had discussed this idea of an informal donors meeting with Kagame, who had been "supportive" of the idea, to lay the foundation "for a regular and deeper GoR/donor dialogue around the budget".

The 'new' versus 'traditional' donor debate and socio-political events 1997-2000

As in the previous period, the dialogue between donors and the GoR was affected by what was going on in the country and the region, translating for some donors into conditions upon aid with regard to democratisation, human rights, justice and regional relations. The same issues continued to underpin the donor-GoR meetings taking place between 1997 and 2000, deepening for some donors. While the IFIs, the EC, the UK and Sweden were striving to bolster support for the GoR, relationships with several donors were particularly strained on a diplomatic level, such as Belgium and France. In contrast to the earlier period when the Netherlands had been a strong supporter of the GoR, it was becoming more critical, and Norway and Ireland phased out their bilateral support altogether, as we saw in chapter 3.

This split reflects different portrayals of the situation in the country. Some analyses of Rwanda around the 1997-98 period give the impression of a country returning to normality. By mid-1996 and into 1997 the IFIs were praising Rwanda's progress and the economy was rebounding, although the GoR faced massive challenges to overcome structural imbalances dating back decades which had been compounded by the war (André 1998; Kayizzi-Mugerwa 2000). Diplomatic representations were being re-opened. While the mass return of the refugees had created a new emergency for the GoR to deal with in terms of resettlement and reintegration, the GoR itself was insisting that the emergency was over. Although this drive to move beyond emergency assistance to longer term development had been evident in GoR rhetoric since as early as 1995, in retrospect the GoR tends to see the 1994-1998 period as one of emergency with a change coming in about 1998.²⁶

This perceived break between 1994-97 and post-1997 came through strongly in interviews. Informants spoke about more direct aid flows by this time, about increased GoR policy-making and human capacity, but also about changes in the lives of ordinary people. Recent and long-term refugees were returning, people were picking up their lives, and a sentiment was expressed of a changed atmosphere by 1997-98. Whether this overall sense of improvement stems from a sense of greater security, from increased GoR administrative and policy-making capacity, from the visible impact of reconstruction activities, or from people naturally starting to rebuild their lives after the first few traumatic years is hard to judge.

This picture of 'normalisation' contrasts, however, with events in the country and region at the time. Indeed, in 1997 security in Rwanda was anything but assured. The closure of the refugee camps in Zaire and Tanzania in late 1996 did not remove the threat to Rwanda from armed militias. With their protection within Zaire evaporating, the options became more limited for the rebels and raids into Rwanda increased. This resulted in a full-blown insurgency in May-June 1997, mainly in the northwestern provinces of Gisenyi and Ruhengeri, but also affecting the central part

²⁶ A broad range of positions exist about when the emergency was considered to have ended, as early as 1995 in some UN documents and by the GoR within the RT framework. Later GoR documents often detail the emergency period as lasting from 1994 to 1998 (Minecofin 2002a), but often divided into an emergency period from 1995-96 with 1996-98 more a transition period of reconstruction and relaunching of development (GoR 1999a: 57). For Switzerland, the emergency period was considered to have lasted until as late as 2001.

of the country, coming within reach of the heartlands of Gitarama and Greater Kigali. With the active support of many local civilians, the aim of the insurgents (commonly known as ‘infiltrators’) was “to make the region ungovernable” (African Rights 1998: 3). The outcome was socio-economic disruption, with widespread shortages, hunger in the most fertile region of the country, trade, farming and education disrupted, and widespread fear. Aid agencies withdrew from these areas, with donor representatives mentioning how they were only able to operate in some parts of country during the period.²⁷ Moreover, donors were concerned about the handling by the Rwandan army of the insurgency, with many civilian casualties reported widely by human rights organisations (African Rights 1998).

The insurgency was largely over by April 1998. However, a new phase of regional conflict broke out in August 1998, when Rwandan and Ugandan troops invaded the DRC, this time fighting against the Kabila regime which they had helped bring to power in 1996. The explanation advanced to donors for Rwanda’s engagement was the necessity of dealing with the “perpetrators of genocide” and of addressing “national security concerns”²⁸ as hope faded of the Kabila regime fulfilling its promises in this regard. The realities were more complex. The official justification of dealing with Hutu rebels based in the eastern DRC and protecting Congolese Tutsi was accepted as legitimate in many quarters (see Kimonyo *et al.* 2004; McNulty 1999). However, alternative motivations are also proposed, such as “the need to quell domestic unrest, opportunities for personal and national enrichment, and the desire to be a regional power” (Longman 2002). These alternative explanations made several donors more sceptical about the invasion, in contrast to their tacit approval of the rebellion which had brought down Mobutu in 1996. As the conflict escalated into what has been termed ‘Africa’s first world war’ with a devastating impact on civilian life, sympathy with the Rwandan cause began to wane in some quarters, with consequences for aid.

The “unifying effect on the ruling elite in Kigali” (van Hoyweghen 2000: 31) of the war in the DRC was set against the backdrop of growing divisions within the army and elite, plus resentment of the GoR by francophone Tutsi and genocide survivors in general. In some respects, fundamental human rights were considered to have improved between 1998 and 2000 with the end of the insurgency (Kimonyo *et al.* 2004: 7; Reyntjens 2004). However, reports of wider abuses by the GoR – disappearances, retributive justice, muzzling of political opponents, etc. – continued, compounded by signs of increased authoritarianism and what Reyntjens calls the “tutsisation of the state machinery”, that is the concentration of power in the hands of the Tutsi and the RPF (Reyntjens 1999a: 5).²⁹ Although senior officials within the Transitional Government were drawn from different political parties, by 2000 RPF control over the political arena was considered “almost total” with the resignation and flight into exile of the President of the Parliament and the Prime Minister, and

²⁷ This situation had knock-on effects for the geographic distribution of aid activities, some of which remain unaddressed. Cyangugu, Gikongoro, and the northwest continue to receive the least aid in Rwanda, partly because these areas were unstable when donors were staking out their programmes in 1997-98. For example, the original rationale for Belgian support to particular health districts around Kigali was to do with the security situation when the programme was designed in 1998.

²⁸ Statement from Paul Kagame (read by Donald Kaberuka), delivered to Government of Rwanda / Donors Meeting, London 22-23 July 1999.

²⁹ This situation has been monitored on an annual basis by Reyntjens who has grown increasingly critical of the RPF regime in Kigali over the years (see Reyntjens 1997, 1999a, 2000, 2001, 2004).

the resignation of the President (Kimonyo *et al.* 2004: 7).³⁰ Vice-President Kagame was subsequently sworn in as President and it came as no surprise to external observers and the international community when the transition period, which was initially due to last for five years, was extended for a further four years in 1999. The official explanation for this was to allow for the completion of the constitutional revision which ended in the adoption of a new constitution by popular referendum in June 2003.

These contextual factors underpinned the meetings to mobilise more assistance for the GoR. The human rights situation in northwestern Rwanda, progress on governance, justice and the rule of law, and debates on the presence of Rwandan troops in Zaire were all mentioned in the press release from the Stockholm meeting, for example.³¹ Behind the scenes debates revealed a more critical picture still:

The official interpretation of the pledges during the ensuing Stockholm meeting was that donors were satisfied with the GoR's answers and saw continued support as the only viable option. The off-record assessments of donor representatives interviewed ranged from "*it was a message to the GoR that donors are not satisfied with its record*", to "*the pledges clearly are a positive response to GoRs economic performance*". (Baaré *et al.* 1999: 32, emphasis in original)

The outcome of the Stockholm meeting was consequently mixed, with some donors placing additional conditions on aid, some not disbursing at all and some disbursing, leading to an inconsistent message reflecting individual donor perspectives and priorities. A similar situation prevailed at the London meeting in 1999, where there was again disjuncture between those donors strongly supporting the GoR and donors withholding aid for political reasons (Stephens, 1999: 8). The intervention of Norway, for example, lays down strong political conditions on aid, stating that state-to-state aid would only be unfrozen when Rwandan troops withdrew from the DRC. Norway was also concerned about the security situation within the country, human rights and the prison population.³² This led to analysts placing donors into two clear camps, 'new' and 'traditional', as we saw in chapter 3.

While this was going on outside Rwanda, within Rwanda there also appeared to be a tangible split amongst donors. UK officials posted to Rwanda at the time mentioned how few donor meetings took place; those that were held were difficult and political with EU Heads of Mission for example concentrating on political issues, human rights abuses and relations with the DRC. The UK and the Netherlands were seen as being at opposite ends of a spectrum to France and Belgium, with the UK at times appearing quite out on a limb.³³ This split was even present in geographical terms, with the 'new' donors located on Kacyiru Hill in Kigali, close to the Parliament and President's Office, while 'traditional' donors had their offices in

³⁰ An alternative explanation for the resignation and flight of several senior officials is the enquiries launched by the Transitional National Assembly in 1999 into the activities of some politicians, leading to allegations of corruption (see http://www.rwandaparliament.gov.rw/index_en.htm, accessed 17.02.03).

³¹ Press release, Donor Meeting on Rwanda, June 2-3 1998, Stockholm.

³² Statement by the representative of Norway to the Government of Rwanda / Donors Meeting, London 22-23 July 1999.

³³ Interviews: former UK ambassador to Rwanda 1996-1998, telephone interview, 23 August 2004; FCO official, 4 June 2004; former UK ambassador to Rwanda 1998-2001, 1 December 2003; former UK civil servant, 2 June 2004.

the older central part of Kigali, in Kiyovu. Nevertheless, despite these issues, aid continued to flow to Rwanda and by 2000 a new era dawned as regular coordination meetings began to take place in Rwanda in tune with the preparation of the Poverty Reduction Strategy Paper.

The Shift to Rwandan Soil and the Poverty Reduction Agenda

From the above discussion, it is clear that the GoR had only limited ‘ownership’ over discussions about aid instruments, flows and coordination. The Round Tables were run by the UNDP and the meetings to mobilise budget support were organised mainly by the World Bank and the UK. This is not to say that the GoR had no role; on the contrary. The GoR’s voice was clearly expressed in background documentation for these meetings, in the agendas and in the interventions made by Rwandan officials. It was a voice expressing frustration and bitterness at the failure of many donors to provide adequately for Rwanda’s needs and to understand Rwanda’s security and stability concerns.

Internally, the attempts at creating mechanisms within the GoR to improve aid effectiveness, as outlined in chapter 4, did not overcome the persistent problems. These included: a lack of inter-ministerial coherence; burdensome bureaucratic procedures of projects which were draining essential and often senior staff from GoR ministries; a lack of coordination and absence of an effective interface with donor agencies; donors not using the budget framework as a planning tool exacerbated by the absence of a coherent strategy for national development priorities; projects using their own procedures at high cost, often scattered and with minimal impact; long delays in the implementation of projects; and the tendency of donors to work directly with line ministries or NGOs rather than coordinating through the Ministry of Finance (UNDP and GoR 1999). Moreover, the main meetings between the GoR and donors were organised by external actors and held outside the country which diminished GoR control over dialogue around aid. In Rwanda itself, meetings amongst aid actors were informal at best beyond the regular meetings of EU member states. Consequently, it was felt to be of vital importance “to move beyond the current tendency of coordination to consist of simply holding periodic meetings that primarily ‘exchange information’” and to develop constructive forums for aligning aid with Rwandan policy priorities (UNDP 1999: 44). A turning point came in November 2000 when the first Development Partners Meeting (DPM) was held in Kigali, the stage for which had been set at the London meeting in July 1999. DPMs were subsequently held in November 2001, November 2002 and December 2004 in Kigali.³⁴

By the time of the first DPM on Rwandan soil in November 2000, the country’s internal security was stabilising and indeed the occasion was used not only to outline ongoing problems but also to demonstrate to the international community how far Rwanda had come. Visits to various parts of the country were organised.³⁵ The

³⁴ No meeting was held in 2003 due to presidential and parliamentary elections.

³⁵ ‘Debt in Rwanda to be reduced by half in December 2000’, *La Nouvelle Relève* N°413, 30 October to 15 November 2000. The following issue (N°414 of 30 November 2000) carried further information on the coordination of aid with an article spread over the front and 3rd page on the ‘Intervention of Development Partners in Rwanda’.

insurgency in the northwest had died down, and political reforms were underway with the first elections held at cell level in March 1999.³⁶ Rwanda's policy-making capacity was also strengthening, with the poverty agenda taking an increasingly prominent place. The groundwork was laid for the Poverty Reduction Strategy Paper (PRSP) in 1999, with a participatory poverty assessment conducted over 1999-2000. The ESAF had been transformed into a Poverty Reduction and Growth Facility (PRGF) in 1999 and Rwanda reached HIPC decision point in December 2000 opening the way to debt relief (Mutebi, Stone and Thin 2001: 6). The PRSP, its preparation, implementation and progress, rapidly became a focal point for dialogue between donors and the GoR, and a central theme of discussion at the DPMs. This ushered in a new phase in Rwanda's recent coordination history, one which emphasised that

a new type of partnership is needed, based on mutual accountability, predictability of aid flows, flexibility of financing and long term commitment of development assistance. This requires the harmonisation of donor practices. (GoR 2001c)

Commenting on aid coordination in 2001 da Câmara highlights the "uncertainty about which entity should provide direct leadership, or indeed, if direct leadership is even desirable or achievable" (da Câmara 2001: 16). Furthermore, although donors "acknowledge that the primary coordinating role should be taken on by government... they are unwilling to give the government the necessary resources, time or authority to actually take on this role" (idem: 18). Recognising that aid coordination remained problematic, at the 2001 DPM the Ministry of Finance presented a document entitled 'Guidelines for Productive Aid Coordination Process in Rwanda', which had been developed by the working group created at the 1999 London meeting. The proposals set out in this document correspond greatly with the new aid agenda outlined in chapter 2. The emphasis was on improving the performance of aid, with a shift towards strengthening country ownership and the policy environment, untying aid, providing more budget support, and better integrating interventions. At the bare minimum it called for more information to be shared amongst partners. This document proposed that aid coordination focus on GoR planning and budgeting processes within the framework of the PRSP and the Medium-Term Expenditure Framework (MTEF),³⁷ looking to the elaboration of sector strategies facilitated by lead ministries and lead donor agencies (GoR 2001b).

This concept was taken a step further the following year when the 'cluster' system described in chapter 4 was agreed at the DPM of November 2002. Prior to this, coordination issues in Rwanda had been analysed by the Strategic Partnership with Africa (SPA) which noted that:

The PRS is not (yet) providing the basis for defining a new and better aid partnership. In rhetoric at least, PRS-priorities are said to be the foundation on which donors base their support. This rhetoric is more true for those agencies providing, or intending to provide, budgetary assistance (e.g. World Bank, IMF,

³⁶ Rwanda is divided into provinces (formerly *préfectures*), districts and municipalities (formerly *communes*), and cells (*cellule*).

³⁷ The MTEF is a public financial management tool which aims at "the translation of policies into costed public expenditure programmes designed to contribute to the policy outcomes" (Mutebi, Stone and Thin 2001: 22).

EC, UK, Sweden, AfDB). However, even then there is some way to go before aid relationships change significantly in line with PRS-principles, with reduced transaction costs for GoR, and hopefully leading to a more efficient use of aid. (SPA 2002b: 4).

Having endorsed the final PRSP adopted in June 2002, the GoR and donors were looking towards implementation and how to ensure that all priority sectors received adequate attention. As the above citation indicates, coordination issues were still problematic and the GoR once again called for more flexible, predictable and long-term resources from donors, preferably in the form of budget support, as well as the alignment of donor procedures with Rwanda's budget cycle (GoR 2002e). This led to the establishment of the complex structure detailed in chapter 4. The progress of this system, as well as more general advances in implementing the PRSP through the preparation of sector strategies, formed the focus of the DPM of December 2004. A great deal of discussion at this DPM concentrated on technical and operational matters, such as rural development, energy, social sector prioritisation and macro-economic stability, and there was increasing evidence of a growing consensus around aid coordination instruments and practices.

However, these technical debates around development policy and cooperation only formed one side of the business conducted at the DPMs. As in the earlier periods, the DPMs provided an occasion for dialogue on matters of concern to donors, namely broader political events in the country and region. The communiqués of all the DPMs illustrate these concerns, with core themes being internal governance and Rwanda's relations with the DRC. Consequently, while there may be a clear "meeting of minds between Rwanda and its partners" (GoR 2001c) on more technical development matters, these are often overshadowed by the broader political context.

Elections and the regional context 2000-2004

In terms of relations with the international community, the 2000-2004 period in Rwanda was dominated firstly by the election process and secondly by relations between Rwanda and the DRC. The election process began with local elections at cell level in 1999 and at district level in 2001. Donors on the whole accepted the results as the best to be expected in the circumstances and a step on the road to democratisation (Uvin 2001). Other analysts were more critical, accusing the international community of naivety (Reyntjens 2001) and condemning the pressure tactics and the limited real value of the elections in light of the "context of authoritarian management and social conformity" (Reyntjens 1999a: 7). While political parties were not banned, they were subject to a strict code of conduct with campaigning activities beyond the halls of government severely restricted. Parties could not campaign outside the capital nor officially run candidates under party labels in local elections (ICG 2002). There was a lack of secrecy during the 1999 elections, with voters literally lining up behind the candidate of their choice. Flaws in the 2001 elections were similarly noted (Reyntjens 2001; HRW 2001a; ICG 2001). Such criticisms contrast sharply with the GoR's portrayal of the success of the system, which it claims helped to avoid violence, and of the elections as a whole. The GoR claimed that this had been the first time Rwandans who had grown up in exile had been able to vote and that these were the first transparent elections for 35 years (GoR 1999a: 119).

The next step in the political reform process was the preparation and adoption of a new constitution through a long process of consultation which started in mid-2001 and culminated in a referendum in June 2003.³⁸ This paved the way for presidential and parliamentary elections in August and September 2003 respectively, bringing an official end to the transition process. In contrast to earlier elections, several donors threatened to withhold funding for the referendum and elections in 2003, with criticisms emerging from official channels and not merely from human rights groups, NGOs and intellectuals (Kimonyo *et al.* 2004). The main concern was the reduction in space for opposition parties to operate, a ban on the main opposition group, the MDR, in April 2003 and the imprisonment of former President Pasteur Bizimungu in 2001 on the grounds of ‘divisionist’ tendencies (Uvin 2003b; Kimonyo *et al.* 2004). Similar charges were levelled against the main contender in the presidential elections, former Prime Minister Faustin Twagirimungu. Moreover, freedom of the press and expression within civil society was also limited with regard to political debates, with local human rights groups particularly targeted (ICG 2002: 12-13). Indeed, Uvin and Unsworth noted in 2002 how

there is currently very little space for civil (or political) society in Rwanda: the government distrusts civil society... The last few years have seen the introduction of laws and practices that severely constrain civil society and free speech, such as restrictive laws with very broad mandates, as well as administrative harassment and intimidation of opponents, media, NGO and [Civil Society Organisation] leaders. (Unsworth and Uvin 2002: 6-7).

From the donor side, the most critical remarks came from the European Union. While the EU observer missions for the referendum and the elections congratulated Rwanda on its steps towards democratisation and the order with which the processes were conducted, they raised serious concerns about the space for the opposition to campaign, arrests and intimidation, and irregularities (EU 2003a, 2003b, 2003c). Disbursement of EU support for the elections was delayed, but was eventually paid out towards the end of 2003.

Despite their qualms, there was not a uniform response to the elections from donors. While the run-up to the referendum and elections had seen “an atmosphere of deep antagonism between the Rwandan government and the international community” (Kimonyo *et al.* 2004: 20),³⁹ the reactions of donors to the elections displayed very different tendencies. While the Netherlands withheld their aid,⁴⁰ Belgium immediately presented their congratulations.⁴¹ As far as Reyntjens was concerned:

the presidential and parliamentary elections confirmed the image of a cosmetic operation for international consumption... Although the international community was, of course, fully aware of the cosmetic nature of the whole exercise, it endorsed the outcome despite a few timid expressions of concern (for example, by the Netherlands, the US and the EU). (Reyntjens 2004)

³⁸ On the constitution see ICG (2002), who accuse the RPF of manipulating the process around the constitution and Uvin (2003a), who seeks to draw the attention of the international community to flaws in the constitution. An alternative perspective is provided by Kimonyo *et al.* (2004) who reject the claims of manipulation, referring to the broad-based popular consultation.

³⁹ This tense atmosphere in the first half of 2003 was also commented on by several informants.

⁴⁰ ‘Rwanda seeks 2.6m for Parliament Polls’, *New Vision*, 5 September 2003.

⁴¹ Belgian Ministry of Foreign Affairs Press Release, 26 August 2003.

Several informants in late 2003 admitted that the elections were no doubt flawed but that they represented a step in the right direction and a hopeful sign that there was political progress in Rwanda.

A year later, hopes of a positive trend were dampened. Indeed, throughout 2004 there were deepening concerns that political space was closing rather than opening, reflecting comments made by Uvin in the run-up to the 2003 elections:

what Rwanda is currently going through is not a process of democratization as much as a formal election painted on top of an increasingly totalitarian state... As a matter of fact, this year of so-called democratization has seen an actual reduction in political space. (Uvin 2003b, emphasis in original)

Donors were becoming increasingly edgy about the concept of 'divisionism' which had been salient throughout the election process. In June 2004, the Rwandan Parliament endorsed a report into 'genocide ideology', based on the findings of a commission established to investigate the killing of a number of genocide survivors in the southwest of Rwanda and the extent of sectarian thinking in the country (Republic of Rwanda 2004). The report documents incidences of murder and persecution of genocide survivors throughout the country, and investigates sectarian tendencies within faith-based organisations, civil society organisations, political parties, public institutions and educational establishments. It presents a disturbing picture of entrenched discrimination and clandestine mobilisation. However, the picture thus painted is overshadowed by the recommendations of the report which call for harsh condemnation of any act of dissension against the current regime, particularly targeting the main political opponents from the election period, and calling for the dissolution of a number of NGOs, including a prominent human rights organisation (LIPRODHOR) and warning several international NGOs not to meddle in political affairs. The fallout from this report has been a further limiting of the space for any political opposition, with greater self-censorship amongst civil society.⁴² International NGOs spoke out against the nature of this report and the process by which it was publicized, as did the Catholic Church.⁴³ The European Union published a formal response in October 2004, expressing its concern at the "liberal use of the terms 'ideology of genocide' and 'divisionism'" without clearly defining these (EU 2004).⁴⁴

The second area of tension between the GoR and donors concerns the regional situation. During the early part of this period, 2000-2002, Rwanda was still embroiled in conflict in the DRC, with donor misgivings emerging in the DPMs. For example, at the DPM of 2000, donors were asking questions about a levy on the population to subsidize the war to which the government's response was that it was merely a request for voluntary contributions, although it recognised that some people did not really understand this.⁴⁵ Pressure was increasingly asserted on the GoR, along with the other parties involved, to end the conflict. In 2001 the Lusaka Accords were signed although it took a further agreement in Pretoria in 2002 to bring about the

⁴² See Hironelle News Agency 'Atmosphere of Fear in Rwanda Civil Society', February 25 2005.

⁴³ See Amnesty International Press Release 'Rwanda: Deeper into the Abyss - Waging War on Civil Society', 6 July 2004; African Rights 'A Step Backwards for Rwanda. Comment on the Parliamentary Recommendation to Ban 6 NGOs', 9 July 2004.

⁴⁴ See also EU-troika démarche on the Parliamentary Report on Genocidal Ideology (23 August 2004).

⁴⁵ Statement of Minecofin to Donor Conference, 22-23 February 2000, Kigali.

official withdrawal of Rwandan troops in October 2002. Some of the concerns expressed by donors about providing budget support or programme aid (see table 3.5, page 53) specifically relate to this ongoing conflict and the question of funding for social expenditure being diverted to military ends.

The withdrawal of the troops was an important milestone for development cooperation, with donors at the 2001 DPM welcoming what is termed “the courageous decision” of Rwanda. The event was described as a “window of opportunity” to enhance and deepen cooperation on socio-economic development and poverty reduction. Indeed, the communiqué goes on to note that “some donors made specific pledges to increase their level of support and/or to begin new co-operation procedures with Rwanda” (GoR 2002e). New resources began to be provided for a regional demobilisation programme through a regional basket fund managed by the World Bank.

However, despite this, reports continued to emerge about the presence of Rwandan troops in the DRC, about human rights abuses committed by Rwandan troops and about the illegal exploitation of resources by people close to the Rwandan regime.⁴⁶ Moreover, the security situation in the eastern DRC has not been resolved, despite the installation of a transition government in the DRC and the creation of a regional conference on security in the Great Lakes which held its first summit in November 2004. The failure of Congolese authorities to deal with the ongoing security threat to Rwanda from rebel groups still present in eastern DRC and still conducting sporadic attacks within Rwandan territory has remained a thorny issue. Relations between the two countries deteriorated over the course of 2004, after attacks in April and November, and the contentious issue of whether or not Rwandan troops had once again entered the DRC was a source of tension between the GoR and donors throughout much of 2004. The GoR was frustrated at the lack of international commitment to dealing with Rwanda’s security issues, as we shall see in the next chapter. As more and more donors began to support democratic transition processes in both the DRC and Burundi in 2004, the belligerent tone of the GoR was considered a real obstacle to progress by many donors.

This situation underpinned most donor statements at the DPM of December 2004. The Netherlands statement, in its capacity as President of the EU at the time, is particularly illuminating. It congratulates Rwanda on its socio-economic and political progress of the last 10 years, but while recognising Rwanda’s legitimate security concerns stemming from the presence of ex-FAR and *interhamwe* fighters in the eastern DRC it “demand[s] that the Government of Rwanda withdraw without delay any forces it may have in the territory” of the DRC, calling on the GoR “to respect the sovereignty of the neighbouring states”.⁴⁷ As we saw in chapter 3, the situation in the DRC impacted upon disbursements of budget support from both the UK and Sweden in 2004-05.

⁴⁶ The UN produced four reports on the exploitation of resources in the DRC by external actors with the final report published in 2003 (UN 2003). See ‘DR of Congo: UN panel on plunder of resources publishes final report’, 28 October 2003 (<http://www.un.org/apps/news/story.asp?NewsID=8706&Cr=democratic&Cr1=congo>). Parliamentary reports were also drawn up in Belgium and the UK on this issue which demonstrates a broad concern about these allegations within donor countries. For more on this subject see Cuvelier and Marysse (2003), Willum (2001) and Braeckman (2003).

⁴⁷ Statement by Presidency of the EU, Development Partners Meeting, Kigali 10-11 December 2004.

At the same time, the messages emerging from donors are mixed, even confused at times throughout this period. On the one hand, the 2000 to 2004 period sees deepening collaboration between donors and the GoR around the PRSP and related policies, with growing consensus on the need to render aid more effective through the establishment of mechanisms such as those explored in chapter 4. More donors are providing budget support or considering moving towards a programme-style approach. Some donors have also increased their aid, as we saw in chapter 3. On the other hand, there are common concerns about governance issues and regional security, including signs of supportive donors, namely the UK, Sweden and the EC, becoming more critical.

Conclusion

Between 1994 and 2004, it is possible to distinguish three periods in the aid history of Rwanda. The first was the emergency period from 1994 to 1998, when aid primarily flowed in the form of humanitarian assistance through UN agencies and international NGOs. All the GoR could do at this time was attempt to keep a vague track of what was coming in. Little flowed directly through the GoR which had minimal capacity to manage it. Emergency programmes for rehabilitation and reconstruction were prepared with assistance from UN agencies and the World Bank. However, the rapidly changing requirements brought about by population movements – of refugees, displaced people and the political elite – and the unfolding regional security situation hampered efforts to implement a coherent policy. Relations between the GoR and the donor community were strained by a series of interconnected factors: the ongoing instability in the region; doubts on the part of many donors about the new regime mingled with guilt; GoR frustrations, mixed with bitterness, over unfulfilled pledges and support to refugee camps harbouring *génocidaires* unmatched by support to survivors of the genocide within Rwanda; and GoR frustration over its lack of control over aid flows. Coordination amongst the many agencies was limited with poor information flows, weak capacity on the GoR side and inter-agency rivalries.

The second period, 1998 to 2000, revealed an evolving pattern of divergence between supportive and hesitant donors. Internal stability returned to Rwanda by the end of the period once the 1997-98 insurgency in the northwest had died down. The conflict with the rebels was taken outside of Rwanda's borders as the Rwandan army became embroiled in the escalating conflict in the DRC. Question marks over Rwanda's actions in the DRC and internal political processes rendered a number of donors increasingly nervous about the new regime, with some bilateral agencies gradually reducing their presence. This contrasted with the rise of new donors who were strongly supportive of the Kigali government in financial and diplomatic terms. The UK and Sweden, as well as the World Bank and the EC, played an increasingly important role in providing the Rwandan government with direct aid and fighting Rwanda's case on the international stage. By this time the GoR was beginning to consolidate its own policy positions. The failure to mobilise sufficient resources after the emergency phase led the GoR to diversify its sources of funding, calling for more budget support and signing up to an ESAF, although not refusing project aid in any form. There was a shift from what was widely seen as a dysfunctional Round Table

process to more ad-hoc meetings calling for budget support which eventually consolidated into regular Development Partners Meetings. By the end of this period not only coordination of aid, but the type of aid, as well as ownership of the process were becoming increasingly salient:

In light of Rwanda's heavy dependence on external aid, government-donor coordination is both a sensitive and overriding concern for Rwandan decision-makers. The legacy of the post-genocide era – with its well meaning but sometimes uncontrolled inflows of humanitarian assistance – has left a strong sense of the need for the Government to reassert control over the development aid process... Succinctly stated, the issue is not less aid, but more of the right kinds of aid, especially direct budgetary support as well as project assistance in areas that correspond to specific national priorities, whether the source is multilateral, bilateral or non-governmental... external funding is the first locus of concern in improving government-donor coordination, and it, in turn, is linked to the quality and relevance of external support. Implicit in discussions of unwanted or irrelevant aid is the question of who exactly is in the "driver's seat" for aid coordination. Government has implied that during the early humanitarian phase there were times when it was not; allocation and deployment decisions were being made over which it had little control. (UNDP 1999: 43-44)

As the poverty agenda began to take centre stage, and as regular GoR-donor meetings moved to Rwandan soil, a third period can be proposed from 2000 until the present day. This has been dominated by the consolidation of the poverty agenda on the one hand, and the end of Rwanda's political transition on the other. Donors demonstrated a willingness to coordinate around Rwanda's poverty strategy, which linked into wider shifts in perspectives amongst the main donors and their partners about aid efficiency at a global level. Although various channels were used for aid, budgetary and sectoral programme support began to play an increasingly important role. However, donor alignment around the poverty agenda did not diminish reactions to Rwanda's political progress, with regional security and conflict, human liberties and institutional governance dominating dialogue between the two sides.

While justice cannot be fully done to the complexity of the socio-political evolution of Rwanda here, the above discussion demonstrates the importance of understanding how debates on aid efficiency in Rwanda today are strongly determined by the historical context. Moreover, it highlights the relationship between two strands of analysis: the socio-political context and technical relations. Discussions with several representatives of donor agencies in Rwanda revealed limited knowledge of how aid relations had evolved since 1994. The institutional memory of the GoR, on the other hand, is generally longer and the early experiences of the new regime in negotiating support for the country have left a trace. The extreme needs of the GoR in the immediate aftermath of the genocide and continuing high aid dependence, in the face of sometimes hostile international opinion, has provoked bitterness from a regime which had a profound distrust of an international community which had done little to halt the genocide, had actively supported the former regime, and did little to resolve the security concerns of Rwanda right through to 2004. At the same time, there has been considerable collaboration between the GoR and donor agencies in an attempt to improve coordination of aid and policy dialogue over the years with mixed results, as we saw in chapter 4.

Although there are core areas where convergence in donor perspectives can be observed, such as agreement on supporting the PRSP or general concern about regional tensions, tangible differences can be observed amongst donor positions. This is not limited to differences between individual agencies. There are also mixed messages coming from within donor agencies. This results in situations where donors are making critical statements about Rwanda's governance record while simultaneously increasing their aid. As we shall see in the next chapter, this reflects how donor agencies engage with different aspects of the Rwandan state and its policies, which both conform to and diverge from international expectations.

Dependence on Aid, Independence of Mind: Policy Positions of the Rwandan Government

Introduction

When the RPF-led Government of National Unity came to power in 1994 in Rwanda it was faced with a massive uphill task to set the country on the road to lasting peace and sustainable development. Ensuring an adequate flow of resources to fulfil budgetary and investment requirements in the face of limited domestic capacity has consequently been a central concern of the Government, framing the policy-making process. The adoption of the Poverty Reduction Strategy Paper (PRSP) in 2002 represented a necessary step for the GoR to access additional external support in the form of debt relief and supplementary assistance. The GoR's adherence to economic and social policies which reflect the dominant norms of international development has solicited a favourable response from donors. It appears to have made a genuine commitment to improving the living conditions of the Rwandese through economic growth and improving social welfare, as well as investing in institutional structures to enhance government effectiveness. Moreover, 'good governance' has been an important policy objective throughout the last ten years: Rwanda is considered one of the less corrupt countries in Africa,¹ a great deal of work is being put into strengthening the accountability of government institutions, and popular 'participation' in local affairs and national policy-making has been encouraged.

However, poverty reduction and good governance only represent part of the broader plans of the GoR. Other elements arguably take greater precedence, such as security and national unity. The democratisation agenda is set within particular boundaries determined by these concerns and the historical legacy of the country. As we saw in the previous chapter, harsh criticism has been levelled at the GoR by some external observers, also evident within the positions adopted by many donor agencies which has led to friction at times. The GoR's perspective on the international community is framed by its experiences of the post-genocide emergency and reconstruction period, when it had very little control over aid flows and external interventions. This led to frustrations on the part of the GoR frequently vented in a critical discourse about the conduct of the international community before, during and after the genocide. The GoR has not rejected aid, however. Rather it employs a combination of careful negotiation couched in the language of international development and sheer stubbornness to avoid compromising on its core priorities and to assert a degree of 'ownership' over policies and practice. Despite its considerable dependence on external assistance, the GoR maintains a clear line on what it wants.

¹ In Transparency International's 2005 Corruption Perception Index, Rwanda ranked joint 83rd in the world out of 158 countries and 9th among sub-Saharan African countries after Botswana, South Africa, Namibia, Mauritius, Ghana, Burkina Faso, Lesotho and Senegal. See http://www.transparency.org/policy_and_research/surveys_indices/cpi/2005 (accessed 16 December 2005).

The mixed messages emerging from the donor community in its diplomatic and technical relations with the GoR reflect these different aspects of the Rwandan state. How donors have provided aid over the years, the divergence in their understandings of the GoR, and how they engage in the coordination process reflect which elements of the GoR's discourse and policy positions they chose to engage with and prioritise. This chapter provides a deeper insight into Rwanda's development policy, focusing on how the GoR employs the core concepts of the new aid agenda, including 'ownership', in the face of high aid dependency. After reflecting briefly on the problems facing Rwanda today and the extent of dependence on external assistance, the analysis turns to the GoR's policies. Firstly, we consider those areas which reflect a 'meeting of minds' with the orthodox patterns of development currently being pushed at the international level, focused around economic growth and human development with a view to poverty reduction. Secondly, it highlights those areas where tensions are more evident, underscoring how the GoR can be understood in different ways.

National Policy in the Face of Aid Dependency

It is not uncommon for analyses of Rwanda, particularly those emanating from donor institutions, to emphasise the progress that Rwanda has made since 1994:

Following the 1994 genocide, with an estimated one-third of its population dead or displaced, its human capital, economic infrastructure and government institutions in ruins, Rwanda undertook an extraordinary national regeneration. (IMF 2004: 6)

Considerable progress has been made. The economy rebounded well between 1995 and 2001 with real GDP growth rates of over 6%, indicators for education and health have progressively improved, and access to public services has expanded (World Bank 2002; Marysse and Ansoms 2003). However, the challenges facing the country remain enormous, with growth rates and social development indicators often below those of 1990. Around 60% of the growing population falls below the poverty line, over 90% of the population is engaged in agriculture, mainly on a subsistence basis, literacy rates stand at less than 60% and rural/urban disparities are considerable (World Bank 2002; Hayman 2005b: 27-28). In a recent survey, people felt that there had been little significant change in their living conditions (Minecofin 2004a: 26), poverty levels remain endemic and opportunities to improve household living conditions are limited.² Moreover, the private sector is small and the potential for its development is limited, with access to foreign direct investment hampered by the country's track record and indebted status (Minecofin 2003c: 10). Indeed, the IMF considers that without considerable external support for the foreseeable future, Rwanda's chances of achieving its long-term objectives are slim (IMF 2004: 14).

The civil war and genocide between 1990 and 1994 created new problems, but many features of the socio-economic environment pre-date the conflict, and indeed go part way to explaining the decades of cyclical strife in the country (Sellström and Wohlgemuth 1996; Uvin 1998; Kayizzi-Mugerwa 2000; Verwimp 2003). If the cycle of violence in Rwanda is to end, then fundamental, structural problems need to be

² For more on Rwanda's poverty profile, see Hayman 2005b.

addressed. The expanding population (estimated to rise from 8 to around 11 million by 2015 (UNDP 2003: 253), high population density, few natural resources, and a very small industrial sector, compounded by a land-locked position in a conflict-ridden area of central Africa, raise serious questions about Rwanda's potential sources of growth. The GoR sees the future as lying in the development of human resources to enable the country to become a service hub in Central Africa, which will rely on private sector expansion (GoR 2002a). Faith is being placed in the opportunities afforded by membership of the Common Market for Eastern and Southern Africa (COMESA), the East African Community and the New Partnership for Africa's Development (NEPAD). However, given Rwanda's low starting point, this is a very much a long-term vision.

Addressing Rwanda's economic problems is not sufficient of itself, however. The preoccupation of both the GoR and donors is that Rwanda's 'pathway out of poverty' requires substantial socio-political change to address long-term regional and internal security and stability and to foster reconciliation within a deeply divided population. The legacy of the genocide adds an additional socio-economic strain with regard to justice and support for vulnerable groups. Furthermore, there are growing inequalities between an urbanised elite and the mass of rural and urban poor.

Table 6.1 : External Financing of Rwandan Budget 1994-2003³

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total Budget (RWF millions)	7,5	61,5	70,8	95,7	99,0	103,8	132,8	150,4	172,0	175,4
Foreign Grants (RWF million), of which:	1,5	38,4	31,4	37,7	33,0	37,8	64,1	64,2	70,8	53,4
current (budgetary support)	0,0	12,0	0,1	2,7	3,5	14,1	40,0	34,7	39,3	52,1
capital (projects)	1,5	26,4	31,3	35,0	29,5	23,7	24,2	29,5	31,5	1,4*
domestic revenue as a % of total expenditure	22.7	33.3	41.3	53	56.2	40.8	46.5	51.7	52.7	
Foreign financed as % of total capital expenditure	93.3	100	99.6	99.8	94.1	89.2	97.5	93.5	88	

Source: Rwanda Development Indicators 2003 (Minecofin 2003c), National Bank of Rwanda

* This figure will be revised upwards once full information is collated

In light of this, Rwanda's high dependence on external resources is not surprising. Although the proportion of external financing in the GoR's budget has decreased since 1994 as domestic revenue has risen, it remains high at around 50% of the

³ As mentioned in chapter 3 (page 60), there is often a discrepancy between what the GoR accounts for as external assistance in its budget and amounts individual donors report as aid to Rwanda to the OECD. The Ministry of Finance and National Bank only capture in their statistics so much of the aid which flows into the country, as this depends largely upon donors providing that information (Fieldwork Diary: 23 April 2004).

overall budget (see table 6.1).⁴ However, the nature of external financing has changed in important ways, as we explored in chapter 3. Table 6.1 indicates that the total amount of foreign grants has increased, particularly since 2000. The proportion of support for the current as opposed to the capital budget has changed significantly. It was about this time that the first UK budget support allocations were provided to Rwanda, and this also coincides with increased resource flows from the IMF under the Poverty Reduction and Growth Facility (PRGF) and from the European Commission in the form of budget support. This implies that Rwanda is in fact becoming more dependent on aid, as increasingly it relies on foreign grants for the payment of operational and recurrent costs. In comparison to budget support, capital grants (mainly for developmental projects) have remained relatively steady since 1995. However, the percentage of foreign financing for capital expenditure indicates that the GoR is almost completely dependent on donors for investment activities.

Beyond this financial dependence, the GoR also relies heavily on external technical assistance. When the current Government came to power in 1994, there was a huge shortage of skilled workers, particularly in the public sector, many having been killed or fled the country.⁵ Officials holding ministerial and senior positions had very little experience of government or public sector management and many of them were returning from abroad, having grown up in exile. These returnees came from very different institutional, educational and cultural backgrounds, from Uganda, Tanzania, Kenya, Burundi and Congo as well as further afield from North America and Europe. Ten years later skills, motivation and efficiency remain a problem within the public sector despite numerous attempts to devise capacity building programmes.⁶ Middle-management in ministries is particularly weak, placing a heavy burden on senior staff. It is hoped that a public service reform, ongoing since 2002 but which only really took off in 2004 will begin to address some of these problems through the rationalisation of ministries and local authorities, an improvement in efficiency (qualifications and positions) and coherence, greater staff motivation (salaries and other incentives), and the retention of qualified staff (Mifotra 2003). In the face of high demand from the private sector and donor agencies, retaining qualified staff within the civil service has been a perennial problem.⁷

⁴ 'Budget Statement 2004 delivered to the Chamber of Deputies' by Donald Kaberuka, Rwandan Minister for Finance and Economic Planning, 4 December 2003. It is not possible to compare this situation with before 1994 as the budget did not include external financing prior to 1994 (GoR 1999a: 62).

⁵ An IMF report from March 1995 estimated that only around 20-30% of civil servants in November 1994 had been there before what it terms 'the events'; in early 1995 the Directorate of Budget had only eight staff, including one secretary, of whom only one had been there before the genocide (Abed, Bédague, Grandcolas and Scheider 1995).

⁶ For the 1996 Round Table a national capacity building study was prepared (GoR 1996b), followed by various human resource development initiatives. In 2004 the Human Resources and Capacity Development Agency (HIDA) was established after many years of debate (see Hayman 2005b for more detail on skills training in Rwanda).

⁷ Development projects 'poaching' skilled staff from the public sector was considered a problem in 1994, and discussed at length in a UNDP report in 1999 (UNDP and GoR 1999). At the DPM in December 2004, this issue once again gave rise to a heated debate, notably around the surge in activities to tackle HIV/AIDS, with NGOs apparently recruiting skilled medical staff to work on projects, offering much greater benefits than the public sector (observations at DPM, Kigali, 9-10

In response to this, many donors have provided long and short-term advisors to Government ministries, or provided skills training in Rwanda or abroad to bolster local capacity. Other programmes have specifically provided salary supplements for qualified staff. For example, Belgium provides supplements for the public officials who act as local counterparts on their projects; the UK provides supplements for the Strategic Planning and Poverty Monitoring Division (SPPMD) of the Ministry of Finance. However, both these donors are attempting to phase out this practice, as it is inherently unsustainable and problematic for the central authorities. The recourse to external technical assistance (TA) has had both positive and negative consequences. One informant felt that more TA did lead to greater, or more subtle, external influence over government processes, but that this was not necessarily a bad thing as long as the assistance was well delivered, built capacity and remained under GoR control. The problem, this informant felt, was that it became too easy to rely on TA. It was therefore a question of knowing how to use TA but also of taking responsibility. He went on to say that the GoR does try to make demands on the TA offered. While some pass on lots of skills, others are not so good and keep information to themselves.⁸ Another official felt that ministries often misunderstood the role of TA; they thought that Rwanda could do it alone and that TA just used up money. For this informant, however, TA added to ownership rather than taking it away.⁹

The main problem seems to be TA substituting for local staff without building local capacity. This was observed during the emergency period (UNDP and GoR 1999), but was also mentioned by several informants. Attempts to reduce this effect have been mixed, as the following examples illustrate. Belgium used to provide a large number of substitute medical specialists in tune with its health programmes. It has tried to reduce these in favour of fewer technical assistants whose primary role is to build local capacity and manage projects. However, the severe shortage of skilled medical workers has led to the Ministry of Health requesting substitute doctors from Belgium once again.¹⁰ British TA placed in the Ministry of Education spoke about the difficulties of balancing their technical and capacity building roles.¹¹ On the other hand, British support to the Rwanda Revenue Authority provides an example of a large team of external TA being gradually reduced over the years as local capacity has been built up.¹²

Fighting dependency: GoR views on ownership and aid

This dependency on external financial and human resources is very much recognised by Rwandan officials, yet there is a concern to combat any culture of

December 2004). The harmonisation of donor policies on this was on the table at a meeting of the health 'cluster' in September 2004 (observations, 30 September 2004).

⁸ Interview, senior official, Minecofin, 23 September 2003.

⁹ Interview, senior official, Minecofin, 24 September 2004.

¹⁰ Interviews: officials, Ministry of Health, 16 April 2004 and 2 May 2004; Belgian TA, Kigali Central Hospital, 5 March 2004.

¹¹ Round-table discussion with CfBT technical assistants, 29 March 2004.

¹² Interview, British TA to Rwanda Revenue Authority, 20 November 2003.

dependence, with officials reminding the Rwandan people that they cannot rely on external support indefinitely, and that aid is other tax payers' money.¹³

We are undertaking a political effort so that Rwandans understand that they must all contribute to reconstruction, be it with money by paying taxes or in-kind. There is not just a mentality of dependence on the outside, but also on the state... We are trying to maximise our use of donations and loans. We know it is also other tax-payers money. (Rwandan Member of Parliament, 23 April

2004)

At some stage Rwanda must be self-reliant... [we] cannot rely on aid forever. (advisor, President's Office, 26 March 2004)

The President sees assistance as short-term not long-term... [the] discourse is about mobilising the people to not rely on aid, to think about solving their own problems... Rwandans are used to support... [they] have a passive mentality... Not that we don't mind foreign assistance but only for the time being. It is not sustainable to rely on foreign aid... foreign aid is other taxpayers' money. (advisor, President's Office, 28 April 2004)

[Rwandan] leaders are not comfortable using the money of other taxpayers for policy. (official, Ministry of Foreign Affairs, 9 November 2003)

This reflects the use of the term 'ownership' as it has appeared in GoR documents, e.g. "everyone should feel that those problems are his, are concerning him, and that it is he who must look for solutions to them (ownership)" (GoR 1999b: 49). For the leadership, the aim is to change the culture of obedience to authority as it was perceived to be under the old regime, one of: "close your eyes and I lead you, and open your mouth and I feed you" (GoR 2002c: 12).

Nevertheless, despite the realisation that external assistants do have an influence over policy through their work in ministries, and that much of the management of development activities is undertaken by donors, officials were also adamant that policy was Rwandan-owned. Aid dependency should not mean compromising on the GoR's core principles:

Our aim is to make it a partnership. We are not going to compromise on core principles, not going to beg and not going to be subservient. (Advisor to the President, 28 April 2004)

We need to adopt a conciliatory profile. It is important to have development but we cannot take aid at any cost. We can do without some types of aid, especially if it affronts our sovereignty. (Member of Rwandan Parliament, 31 October 2003)

In Rwanda we know how to stand firm and say no. (Minister of Foreign Affairs, 8 December 2003)

From these and other interviews, it is clear that the desire for ownership does not necessarily translate into a desire to dispense with aid altogether. When asked about

¹³ See also 'Foreign Aid temporary anaesthesia – Kagame' (*New Times* November 10-12 2003 p.2) in which President Kagame states that Rwanda would never be independent while its survival depended on foreigners, likening "foreign aid to temporary anaesthesia", equating "a begging nation to a person who is always dragged on a rope tied around his neck" and calling on Rwandans to "work for economic emancipation"; implementing the 7-Year Programme will "enable us [to] liberate Rwandans from the longstanding yoke of foreign dependence".

refusing aid, the response from officials, notably those working directly with donors at a technical level, tended to be a pragmatic one. Rather than refusing aid the GoR should seek to negotiate with the donor and try to orient the proffered activity more in a direction to meet GoR priorities.¹⁴ Aid is recognised as necessary for the foreseeable future, but this does not mean that the GoR is willing to accept everything that donors throw at or demand of the country; aid should be provided which meets Rwanda's own priorities. Consequently, the thrust of the discourse is that Rwanda '*could* do without aid' which is quite different to Rwanda '*will* do without aid'. Behind this lie two elements: firstly the massive needs of Rwanda which make any idea of self-reliance a distant prospect; and secondly the importance of projecting a good image on the international stage to ensure Rwanda has good external relations, maintains a good reputation and can procure assistance, even if this means accepting aid from countries not necessarily considered as 'friends'.¹⁵

These statements also demonstrate both pride and bitterness resulting from the experiences of relations with the international community outlined in the previous chapter. GoR discourse carries a constant reminder to the international community that it let Rwanda down not only during the genocide but also afterwards: by failing to halt the killings; by supporting the refugee camps housing genocide perpetrators while neglecting the victims still inside Rwanda; in not giving the GoR the means to reconstruct itself; and in making pledges of support that it did not honour. This translates into what one informant described as the GoR's "healthy disrespect for the international community."¹⁶ Many Rwandan officials interviewed felt that donors had a hidden agenda, had their own interests, were not working essentially in favour of Rwanda, and that delays in disbursements were deliberate, politically motivated and not merely a question of bureaucratic procedures. This opinion was expressed more by political actors than Rwandan civil servants. The overall perspective on aid emerging from interviews was by no means homogenous, with some actors taking a much more stringent line against donors than others. Moreover, some donors are clearly viewed in a better light than others. For example, the UK was generally regarded as a 'friend', providing aid in the most coveted form, acting as an 'advocate' of Rwanda and recognising where Rwanda was coming from.

Political Priorities 1994-2004

The poverty reduction strategy, while wide-ranging, only represents part of the GoR's overall policy perspective. It is widely recognised that Rwandan policy-making during the emergency period was very weak in light of severe internal capacity problems. As a result, many of the policy papers prepared during the emergency period and subsequently involved considerable donor support and the

¹⁴ This is an attitude that leads to some confusion and frustration. The GoR is demanding more aid in programme form but at the same time is not refusing projects. It will often approach donors to provide particular forms of project aid if it suits their purposes, and it knows who to approach for what. This can lead to the situation where lengthy discussions around sector strategies are then undermined by the GoR accepting offers of funding which fall outside the priorities of the strategy, as we saw with regard to the education sector (c.f. chapter 4).

¹⁵ This particularly relates to accepting aid from France. Several informants mentioned that they would happily do without French aid, but that it was important to maintain relations with France because of its importance on the world stage.

¹⁶ Interview, EC official, Kigali, 30 September 2003.

voice of external actors is often very evident. This, coupled with Rwanda's need to secure external financing for reconstruction and investment, has influenced the thrust of much Government policy. Indeed, since the adoption of the PRSP there has been a tendency amongst donor agencies to focus solely on this as presenting the GoR position. However, this approach ignores the core set of consistent policy principles which have directed the actions of the regime throughout the period in question, and a clear Rwandan perspective can be recognised which is distinct from the donor voice. While the national policy aspect is often overlooked by donors, there is clear recognition that the GoR has a strong sense of what it wants. As one donor informant said,

there was no policy foundation for long-term development until late 1996... there were no development programmes... [but] it was an extraordinary government ... it knows exactly what it wants. (former UK official in Rwanda, 23 August 2004)

Box 6.1 : Key Rwandan Policy Papers 1994-2004

1994: Declaration of Principles (July)
 1995: Programme of National Reconciliation and Socio-Economic Rehabilitation and Recovery (with UNDP support)
 1998-99: Policy Framework Paper and Public Investment Programme (with WB support)
 1998 (2000, 2002): Vision 2020
 2002: PRSP (interim PRSP 2001 and first draft in 2000)
 2003: 7-Year Programme

Box 6.1 provides a list of the GoR's key policy papers from 1994 to 2004. The first of these is very important, as it constitutes the foundation of GoR political priorities over the last 10 years. The Declaration of Principles was presented as the '8-point Programme of Broad-Based Transition Government' to the Transitional National Assembly and members of the international community on 19 July 1994 (Twagirimungu 1994). The Programme covered:

- the restoration of a climate of security and peace, with an emphasis on ending the war and resolving internal security problems as well as beginning judicial proceedings;
- the organization of central and local administration;
- the restoration and consolidation of national unity, including combating divisionism and reflecting on causes of conflict;
- the integration of refugees and displaced persons, with international support;
- the improvement of the well-being of the population and resolution of social problems stemming from the war (orphans, widows, disabled), as well as the rehabilitation of social infrastructure and the resumption of education;
- the resumption of the national economy, restarting commercial and agricultural activities as well as investment;
- the redefinition of foreign policy, including strengthening and expanding international relations with 'new' partners;
- the consolidation of democracy in the country, combating the culture of impunity, guaranteeing freedom of expression and respect for fundamental human rights, and promoting political and social pluralism.

These principles underpinned the 1995 Programme of National Reconciliation presented to donors at the Round Table conference in January 1995, and were further consolidated during a series of meetings convened at the Offices of the President (known as Village Urugwiro) running from May 1998 until March 1999 (GoR 1999b: 2). These meetings brought together a wide range of actors to discuss the future of Rwanda as it emerged from war and the genocide. Participants included representatives of political parties, members of the government, national assembly and the judiciary, provincial leaders, representatives of the army and police force, advisors to the President, Vice-President and the Prime Minister, as well as ‘special guests’ (including lawyers, intelligence agents, bankers, academics and journalists). Billed as a way of associating all Rwandans in the management of the country, these political consultations and debates aimed, it is claimed, to build a more united Rwanda based on solidarity (GoR 1999a). Issues discussed were the unity of Rwandans, problems regarding democracy, justice (classic and genocide-related), the economy (structural constraints, poverty and reconstruction), and security. Central to the debate was to understand how the genocide happened and to solve ongoing problems of discrimination, distrust and conflict. Vision 2020, a policy document considered the foundation of the PRSP, eventually emerged from these meetings.

Progress towards attaining the 8-Point Programme is outlined in two reports published in 1999 and 2003 (GoR 1999a, 2003), illustrating how these eight action points represent the core manifesto of the RPF-led regime throughout the transition years from 1994 to 2003. The achievements presented therein to the Rwandan people, via the National Assembly, are distinct from the developmental objectives of policy documents prepared with external assistance in the post-1994 period. The external voice is muted, and the external audience is not specifically targeted. The first report makes no explicit mention of Vision 2020, but notes the importance of the Village Urugwiro meetings for the inclusion of the population in the management of state affairs (GoR 1999a: 2, 14). The second report follows a similar format, updating the previous report and adding additional information on activities, initiatives and programmes. The language is stronger on unity and reconciliation, particularly combating all forms of exclusion and discrimination, and emphasising the need to promote Rwandan core values against the ‘anti-values’ of ethnicity, regionalism and exclusion (GoR 2003: 9-10). By this time, the poverty agenda appears in the outline of macro-economic policies which now include Vision 2020, the PRSP and the National Investment Strategy.

Following the Presidential and Parliamentary elections in 2003, the Government produced a 7-Year Programme, building on Vision 2020 and placing a strong emphasis on unity, governance and security (Makuza 2003). This manifesto is set against the background of the genocide legacy and Rwanda’s progress since 1994 and strongly reflects the principles outlined above. The four ‘pillars’ of the programme are:

- governance in a very broad sense, covering political awareness, media, international relations, security, civil society, decentralisation;
- the judiciary, including combating genocide ideology and corruption, as well as upholding human rights;
- economic development; and
- social affairs.

In the English-language translation,¹⁷ the term ‘poverty reduction’ does not occur once, the only mention being ‘getting rid of endemic poverty’ under the economic section. Likewise, the Village Urugwiro meetings devoted considerable time to questions of unity, democracy and justice, with only a very short section in the final report on the economy and economic development strategies, and no discussion of poverty or social services. It is interesting to note how little recognition there is amongst donor actors of these core principles. In numerous discussions with donor representatives, the ‘achievements’ reports of 1999 and 2003 were never mentioned, nor did there seem to be much attention paid to the 7-Year Programme.

All of these documents demonstrate that a number of core principles lie continuously at the heart of the GoR’s agenda, in particular security, both external and internal. Externally, this focuses largely on the threat posed by the DRC, and more specifically the elements of the former regime still present just outside Rwanda’s borders and the implicit and explicit support provided to these by the Congolese authorities and foreign powers. Internally, priority is given to reconciliation, governance, justice and combating sectarianism. We will return to the question of internal governance below, but let us first explore further the question of external security as this is particularly important on two fronts: firstly, as we saw in chapter 5, Rwanda’s relations with the DRC have been a source of tension and divergence of opinion amongst donor agencies since 1994, and also a condition upon aid; secondly, the GoR’s position on external security is illustrative of the way in which it deals with external criticism of its actions.

Dealing with the DRC: Rwanda’s external security agenda

At the 2002 summit of the National Unity and Reconciliation Commission (NURC), telephone questions were taken from the Rwandan Diaspora. One caller asked “Why does Rwanda continue to disrupt security in the Great Lakes region?” to which the response was: “As regards the alleged disruption of security in the region, it was made clear that was a wrong perception of reality; Rwanda has all along been reacting in self-defense” (GoR 2002d: 73).

Since 1994, the GoR has been calling on the international community to deal with the threat to its security from armed opponents based in the eastern DRC, failing which Rwanda would take its own action.¹⁸ This was given as the reason for supporting Congolese rebel groups in 1996, and for the invasion of 1998. However, for the GoR this threat has not diminished. Both the 1999 and 2003 ‘achievements’ documents provide the GoR’s perspective on relations with the DRC in terms of the security threat and outline ongoing concerns about the depth of commitment of the Kinshasa regime to fulfil its side of agreements reached. As we saw in chapter 5, at the DPM in December 2004, the GoR was once again explaining its actions, this time to an increasingly hostile international audience following allegations of Rwandan troop presence over the border. This followed attacks by rebel groups in South Kivu

¹⁷ The original version of the 7-Year Programme is in Kinyarwanda, with a later translation into English. This contrasts with documents like the PRSP which were first prepared in English, then French, then translated into Kinyarwanda.

¹⁸ See for example the speeches of Prime Minister Twagirimungu and Vice-President Paul Kagame at the July 1995 Round Table (UNDP 1995a). This is also taken up by McNulty (1999): “Kagame had made plain since 1995 his determination to sort out the security problem himself if the international community was unable to do so.”

(DRC), Burundi and Rwanda which induced the GoR to threaten to send its troops into Congo on the grounds that neither the Kinshasa government nor the UN peace keeping force were capable of dealing adequately with the security threat. The Great Lakes Special Representative of the Rwandan President, Richard Sezibera, gave an ingenuous presentation, linking the regional security situation to the socio-economic development of Rwanda, demonstrating how the 'rebels' specifically targeted areas of economic importance around the western borders (national parks, electricity installations, tea and beer factories), providing specific details on incursions into Rwanda over the course of 2004, and highlighting throughout how Rwanda has attempted to keep its side of the agreements signed in Lusaka and Pretoria while the Congolese authorities and the international community have failed to deliver on their promises.¹⁹

The presence of armed groups hostile to Rwanda is unquestionable. What is open to debate, however, is the extent of the threat to Rwanda's stability posed by these groups. As we saw in the previous chapter, alternative explanations have been proposed for Rwanda's interest in maintaining a presence in eastern Congo, many of which continued to hold in 2004. It is not our intention to revisit these explanations; what is important is the way in which the GoR presents its case to donors, and how they respond. The following press article highlights the GoR perspective:

While observing that the problem of the *Interahamwe* and Ex-FAR [former Rwandan army] is well known to the world, Kagame said that the international community had chosen to treat them 'with kid gloves'... He lashed out at critics who accuse the Rwandan government of using the security threat as a decoy to plunder the natural resources of the DRC, saying they (Western countries) were 'the actual thieves' because they have the capacity to exploit minerals. (*New Times*, December 1-2 2004, pgs 1-2)

This extract is fairly typical. Indeed, there is a clear pattern to how the GoR presents its concerns about the security threat and how it responds to critics. The "doctrine built around denial" (Pottier 2002: 55) is particularly noteworthy. When there are accusations of Rwandan troops being present in the Congo, the GoR will adamantly insist these are unfounded. Some time later it tends to admit that troops were indeed there. This happened with regard to the support the Rwandan army gave to the AFDL in 1996, with Kagame admitting in July 1997 that Rwandan troops had been involved (McNulty 1999). Likewise McNulty notes that Rwanda had not admitted its support for rebel groups opposing Kabila in 1998; the 2003 'achievements' report, on the other hand, states that "in legitimate defence, Rwanda was obliged to intervene in Congo in 1996 and 1998 to fight these evil forces right up to the signature of the Lusaka accords (July 1999) and Pretoria accords (July 2002)." (GoR 2003: 70, translated from French). In 2004 a similar situation prevailed. In early December 2004, the UN Mission to the DRC (MONUC) accused Rwanda of having troops in the DRC. The Rwandan Government flatly denied these allegations: "All the allegations about Rwanda troops in the DRC are false. Rwanda does not have troops in the Democratic Republic of Congo."²⁰ It also denied massing additional troops on the border.²¹ However, a Human Rights Watch press release

¹⁹ Observations, DPM, 10 December 2004.

²⁰ Richard Sezibera, quoted by Reuters, 3/12/2004 (translated from French).

²¹ 'No new troops at border', *New Times* (3 December 2004).

(December 4, 2004) mentioned that in late November President Kagame had implied that some military action may have occurred in a speech to the Rwandan Senate, and in a letter to the African Union. The presentation by Sezibera at the DPM mentioned above also indicated that, out of necessity, Rwandan troops might have had to cross the border to pursue rebels.

Over the years, the position of different donors about the legitimate security concerns of the GoR with regard to the DRC have continually shifted. Some, such as the UK, have been largely sympathetic, although this changed somewhat in 2004 (Killick, Katumanga and Piron 2005). What appears to particularly frustrate donors in general is that the GoR does not adequately inform them about its intentions or actions. This emerged, for example, at the DPM in 2004 where the Netherlands Ambassador complained that the local diplomatic corps had not been informed of each incursion by rebels into Rwandan territory.²² But what this also demonstrates is the strength of the GoR in maintaining its position despite its dependency on aid; claimed security concerns are not something on which it will compromise.

Rwanda as a 'Developmental State'? Appealing to the International Community

Within the GoR's core principles mentioned above, the role of international cooperation is given a backseat, although international relations are mentioned in terms of expanding Rwanda's cooperation agreements in order to assure it a place on the world stage, and in terms of eliciting international assistance to fund economic and social development activities. The presentation of all of these programmes has been aimed primarily at the Rwandan people through the National Assembly. Nevertheless, support from the international community is anticipated for policies like the 7-Year Programme. When presenting it, Prime Minister Makuza insisted that the implementation of the programme:

requires willingness, zeal, abnegation and sacrifice from leaders and Rwandans at all levels. However, I feel confident that this programme will be implemented thanks to our complementarity and cooperation from all Government Institutions and from friendly International Organisations. I therefore wish to take this opportunity to renew our gratitude for the support given to us by the International Community which, I am sure, will not relent. (Makuza, 2003: 26)

This appeal to the international community to support the GoR's policies on the basis of 'complementarity' and 'cooperation' reflects the many elements of the GoR's strategy which correspond to current concerns of donors, notably governance, economic development and poverty reduction. In a recent publication, Lockwood (2005) reflects upon whether certain states in Africa exhibit signs of the 'developmental state', concentrating on Botswana, Ghana, Uganda and Tanzania. The term 'developmental state' has traditionally been used in connection with the bureaucratic regimes of east Asia, such as South Korea and Taiwan, where authoritarian rulers fostered the economic transformation of their countries in the 1960s and 1970s. However, the term has subsequently been applied to other developing countries where particular regimes have sought to bring about economic

²² Observations, DPM, 10 December 2004.

development by following similar strategies: extending state control over land-use and rights by quashing the power of landed elites; strengthening ties with the private sector; developing strong state bureaucracies with autonomy from the political elite; fostering both internal- and external-oriented industrialisation; and allowing partial economic liberalisation. In Africa, there have been few examples of a developmental state, with the notable exception of Botswana and for some authors also South Africa.²³

Whether Rwanda fulfils similar criteria is debatable. Unsworth and Uvin, for example, have likened Rwanda to a developmental state, in that “[i]ts reach over the territory is significant and uniform; it values technical competence, and policy processes are becoming more institutionalised; there is improved oversight and upwards accountability at all levels; and there seems to be a genuine commitment to development and progressive social change (women’s rights, for example)” (Unsworth and Uvin 2002: 6). This analysis focuses on the institutional aspects of the GoR, its commitment to development and its desire to build a strong bureaucracy. Two years earlier, Kayizzi-Mugerwa wrote how the GoR’s ‘clean politics’ and promises about poverty eradication, participatory government and national reconciliation made it attractive to donors and the local populace, its credibility to restore stability in the face of daunting odds enhanced by the total discrediting of the former regime (Kayizzi-Mugerwa 2000). It has certainly been seen as “very serious about economic reform” (van Hoyweghen 2000: 18). The mixture of a paternalistic political approach, through which the GoR maintains tight control over political space, with an apparently genuine commitment to socio-economic reform is reminiscent of other post-conflict African countries of the 1990s which, for periods of time, have received international acclaim and attention, such as Uganda, Ethiopia and arguably Eritrea (see Ottaway 1999).

The GoR’s adherence to the global norms for development dominant in the 1990s and 2000s – namely economic neoliberalism, poverty reduction and good governance – has earned it respect among many donor agencies, and in general the GoR has been able to mobilise support for its development agenda. Following neoliberal principles, the approach is to promote economic growth through the structural transformation of the economy, the development of the private sector and the reduction of the role of the state to that of a regulator, including improving state financial management and administrative capacity. The long-term perspective is to turn Rwanda into a “modern, stakeholder economy” (GoR 2001a: 11). Poverty reduction *per se* takes a backseat in this; rather, economic development policies have been more concentrated on stimulating growth and economic transformation, drawing on Rwanda’s human resources to foster growth (Hayman 2005b: 49).

Within this approach the voice of external advisors is clearly present. This was evident in the World Bank’s Background Paper for the donor meeting in Paris in July 1997:

In the post-war economy, the international community should support economic reform that provides for change in the economic orientation to a more open, liberal economy. The current Government has expressed its intention to move in this direction, although implementation of structural changes has been hindered by the need to address emergency concerns. (World Bank 1997)

²³ On developmental states, see Evans (1995), Hoogvelt (2001) and Kohli (2004). On Botswana and African examples, see Lockwood (2005), Taylor (2002) and Sindzingre (2004).

The World Bank and the UK in particular have provided substantial support to assist in institutionalising new public financial management systems like the Medium-Term Expenditure Framework (MTEF) within the Ministry of Finance and other ministries. A series of short-term consultants and long-term advisors have been working with Minecofin on this since 2000.²⁴ However, it is also important to recognise that certain key officials in the Rwandan government are also very attuned to this agenda. Several informants commented on how the arrival of Donald Kaberuka as Minister of Finance in 1997 provided the impetus for greater coherence in economic planning and policy-making. Having undertaken higher education in the UK and worked closely with the IFIs before returning to Rwanda, Kaberuka enjoyed good working relations with senior British civil servants, and had a good understanding of IFI policy positions.²⁵ Indeed, as one informant said:

You cannot say that the leadership of the Ministry was not behind the MTEF, that Rwanda did not own the process. If you ask the Ministry officials, they will always say that they are behind it wholeheartedly... So [it] definitely owned it in the sense of supporting it, but you can say that it did not take the initiative.²⁶

At the same time, however, as Rwanda became more closely associated with the international financial institutions and donors such as the UK in the late 1990s, the GoR's commitment to poverty reduction increased within its short and medium-term development strategies. This can be traced through the evolution of Vision 2020 which emerged from the discussions held at Village Urugwiro in 1998-99. Vision 2020 expanded from an eight-page document in 1998, which made little allusion to poverty reduction but concentrated more on reconciliation and security, to a substantial policy paper by 2000 which explicitly placed poverty reduction at the heart of Rwanda's long-term development strategy (GoR 2000). Vision 2020 fed into the preparation of the PRSP and its transformation into an increasingly sophisticated policy document continued in parallel to the PRSP process. In 2001 and 2002, the United Nations Economic Commission for Africa (UNECA) funded external consultants who helped to transform Vision 2020 into a strategic plan through a series of workshops and working groups involving the consultation of government officials, political parties, religious groups, NGOs, academics and the private sector (GoR 2002a: 5). The process of developing this policy paper provides an interesting insight into the adoption of the poverty reduction agenda and the role of external support. One informant, who was involved in the workshops in 2001 and 2002, mentioned that the July 2000 version presented to Cabinet was considered too economic, not sufficiently socially-oriented and, more importantly, lacking in 'vision'. For him, Vision 2020 "was the beginning of everything".²⁷ At the same time, while the origins of the discussions which led to Vision 2020 were very much internal, it is worth noting that most of the Least Developed Countries have a 'Vision' of this nature which has been used to form the basis of PRSPs and which has often been transformed into an acceptable strategic plan with external assistance.

²⁴ Interviews, UK TA to Minecofin (Kigali, 26 November 2003; London, 13 January 2004).

²⁵ Interviews: former UK civil servants (London, 2 June 2004; telephone, 23 August 2004).

²⁶ Interview, former UK TA to Minecofin, London, 13 January 2004.

²⁷ Interview, Director of Strategic Planning and Poverty Monitoring Department, Minecofin, Kigali, 11 October 2004.

The objective of Vision 2020 is to “build a modern and prosperous **Nation**, strong and united, worthy and proud of its fundamental values, politically stable, without discrimination among its sons and daughters; and all this in social cohesion and equity”, centred on a “**prosperous knowledge-based economy**” and a “modern, competitive **Private Sector**” (GoR 2002a: 6, emphasis in original). The ambition is to become a medium-income country by 2020. Each of the pillars of Vision 2020 is accompanied by a series of indicators of progress, which are increasingly linked to the Millennium Development Goals, and monitored via the Development Indicators produced annually by Minecofin. This would imply that economic and social development are occupying a greater place in the policy process in comparison to the underlying Principles of 1994 and the 7-Year Programme of 2003 (see table 6.2). While these documents clearly serve different purposes and target different audiences, it is interesting to note the primacy given to security, governance and the construction of state institutions in the 8-Point Programme, Vision 2020 and the 7-Year Programme. In contrast, economic and social development take precedence in the PRSP.

Table 6.2: Priorities of Core Policy Documents

8-Point Programme (1994)	Vision 2020 Pillars (2000, 2002) ²⁸	PRSP Priority Areas (2002)	7-Year Programme (2003)
Restoration of security and peace	Reconstruction of the state	Rural Development and agricultural transformation	Governance
Organisation of central and local administration	Efficient and uniting state	Human development (health, family planning, skills development, education, water, settlement)	Judiciary
National unity	Human resources development	Economic infrastructure	Economic Development
Integration of refugees and internally displaced people	Land administration and basic infrastructure	Governance	Social Affairs
Social well-being	Development of the private sector	Private sector development	
Resumption of the national economy	Modernisation of agriculture and animal husbandry	Institutional capacity building	
Redefinition of foreign policy			
Consolidation of democracy			

Source: (Twagirimungu 1994; GoR 2002a: 6, 2002b; Makuza 2003)

While Vision 2020 sets out the long-term objectives of the GoR, the medium-term strategy to progress towards these goals is outlined in the PRSP. The preparation for this began in earnest in June 2000, a preliminary draft being presented to donors in

²⁸ The 2000 version of Vision 2020 concentrated more heavily on modernisation of agriculture, development of industry and human resource development to serve economic growth. It is shorter with much less detail, but the tone is different. The social dimensions of gender, health, education and environment are absent. In the PRSP (2002), the key objectives of Vision 2020 are presented in a different fashion to the original document: good political and economic governance; rural economic transformation; development of services and manufacturing; human resource development; development and promotion of the private sector; regional and international economic integration.

November 2000, with the interim PRSP adopted in 2001 and the full version published in June 2002. The PRSP is a comprehensive document, for which background information on the nature and depth of poverty in the country was provided by a Participatory Poverty Assessment (Minecofin 2002c) and a Household Living Conditions Survey (Minecofin 2002b). The “context of poverty” (GoR 2002b: 6) in Rwanda is put down to two key factors: structural issues; and the legacy of the genocide and civil war. Indeed, ‘poverty’ has now been accepted within popular perceptions as one of the root causes of the genocide and tackling it is seen as a key to avoiding future conflict.²⁹ The core philosophy of the GoR laid out in the PRSP is that:

The Government of Rwanda strongly believes in the right of all its people to live a life free from poverty, hardship, oppression and insecurity. Rwanda’s Government is committed to securing for all its citizens a full range of social, economic and political rights and to working with its people to reduce poverty and exclusion. (GoR 2002b: 6)

As in other heavily indebted developing countries, the PRSP represented a necessary requirement to qualify for enhanced debt relief under the Heavily Indebted Poor Countries (HIPC) initiative, and the more recent drive towards preparing sector strategies in 2004 was partly aimed at accessing the World Bank’s Poverty Reduction Support Credit (PRSC) in the core areas of health, education, water and energy. The PRSP is therefore aimed at two audiences, the external financiers and the Rwandan population. On the one hand, the preparation of the PRSP has been facilitated and pushed forward by the international community. Significant support was provided by the UK and the UNDP in the early stages, the World Bank and Belgium played a significant role in the preparation of core sector strategies, and we have seen how at the DPMs the strategy has been endorsed by the wide donor community. On the other hand, the PRSP is held to be a Rwandan-owned policy document, drawn up with wide-ranging local consultation:

The participation in the PRSP process and sense of ownership are impressive. (World Bank and IMF 2002: 2)

This contrasts somewhat with early analyses of the poverty reduction strategy which highlighted how prioritising was weak and policy-making often patchy (Kayizzi-Mugerwa 2000; Mutebi, Stone and Thin 2001; Maxwell and Christiansen 2002). Indeed by 2004, donors appeared to be increasingly anxious to see progress on implementing the PRSP as well as clear indications that this policy was actually reducing poverty.³⁰ There are signs of growing inequalities in Rwandan society which raise questions about the real focus of the GoR’s economic policies.³¹

²⁹ Observations, seminar run by the Institute for Dialogue and Peace in Rwanda, 7-8 November 2003. See also IRDP (2003).

³⁰ Observations, meeting to launch the PRS Progress Review, 21 April 2004.

³¹ One example of this is the ‘cleansing’ process which went on in Kigali city in 2004. Informal kiosks and semi-formal businesses were shut down; poor quality housing was condemned and in some places destroyed; street traders were banned; street children and beggars were forcibly removed; regulations were even brought in concerning the appearance of people, such as wearing shoes in the city. This approach to sanitising and ‘modernising’ the appearance of the city seemed out of kilter with the economic and social realities of Rwanda (based on personal observations and fieldwork diary entries, October-December 2004).

On the other hand, the GoR commitment to development is seen as genuine, both in terms of fostering economic growth, improving the access of the population to social services, and in terms of improving governance. This is further illustrated by the ways in which the GoR has sought to deal with the very specific problems facing the country. In amongst the orthodox policies of economic liberalisation and social welfare there are examples of home-grown policies which have been innovative, albeit sometimes controversial. The GoR has managed to secure external support for these activities on the whole, often pushing donors hard in the face of initial hostility. These policies include the *gacaca* courts for trying lesser crimes of genocide, the villagisation programme (*imidugudu*), community self-help projects (*ubudehe*) and the public works programmes (PDL-HIMO).³² A good example of this is the *gacaca*. Based loosely upon a traditional local justice system, the idea for the *gacaca* emerged from the Village Urugwiro meetings as a way of dealing with the massive problem of crimes committed during the genocide (see GoR 1999b: 61-78). All sorts of objections were raised by donors and human rights groups at first with regard to international standards of justice but in the end this process has been strongly supported by donors to the extent that they are the ones pushing for tangible progress.³³

Even in more orthodox areas, the GoR has often pushed its case despite donor reticence. Two examples from the education sector illustrate this. Firstly, the GoR push for an ICT-led economy has meant a high proportion of public funding has been channelled into higher education and science and technology, despite donor pressure to focus more on primary education. Secondly, the GoR has doggedly pushed its policy of trilingualism in schools, seen as a central pillar for building an inclusive society and providing Rwandans with comparative advantage in the global market, despite research demonstrating that this may be counter-productive to improving education outcomes (see Hayman 2005b). As we have seen above, the GoR's dependence on external resources has not significantly altered its stance with regard to security and stability.

These particular initiatives demonstrate the context-specific problems with which the GoR has to grapple, such as justice and the settlement of returning and displaced peoples, but also how it takes a stance on policies in which it firmly believes. We have seen other examples in earlier chapters, such as how the GoR handled the request of budget support donors to comment on the budget during its preparation, and how it went ahead with the constitution process and elections despite donor threats to withhold funding. On the other hand there are also areas where the GoR would prefer more aid, but it has been unable to push the donors to respond, one example of which is for infrastructure. In interviews, officials expressed frustrations at the amount of support for activities like media training and gender workshops, but not for essential infrastructure to boost the economy such as roads, energy and

³² There is no space to expand on these policies here, but they have been sufficiently covered elsewhere. On *gacaca* see for example da Câmara (2001), Uvin (2001b), IRDP (2003), Corey and Joireman (2004), Karekezi (2004) as well as regular reports produced by Penal Reform International. On villagisation see van Hoyweghen (2000), HRW (2001b), van Leeuwen (2001) and Pottier (2002). On *ubudehe* see Minaloc (2002).

³³ Observations, meetings between GoR and donors supporting the *gacaca* process held at the Belgian Embassy, Kigali, 5 March 2003, 20 April 2003; minutes of meeting on *gacaca*, 25 May 2004. Interview, advisor to the President, Kigali, 28 April 2004.

water.³⁴ This illustrates the limits to which the GoR can really control investment expenditure.

Good Governance: Technocratic and Political Angles

The willingness of donors to support Rwanda's socio-economic development strategy also reflects how the GoR has addressed governance issues in terms of demonstrating an adherence to sound administrative, institutional and political principles. In Rwanda, the specific reference to the language of 'good governance' first emerged around 1998 within the Village Urugwiro discussions, for which a framework document on good governance was prepared (GoR 1998). The need for "good governance", "participation and ownership", "control and accountability" was constantly reiterated during these meetings (GoR 1999b: 4-5). However it has been there implicitly since 1994 in the GoR's commitment to improving public sector management, addressing privatisation and the structural reform of the economy, strengthening the judiciary and promoting democratisation. This terminology peppers subsequent policy documents, such as the 2002 National Programme for Strengthening Good Governance for Poverty Reduction in Rwanda, in which 'good governance' is defined as follows:

The Government of Rwanda takes good governance to refer to the exercise of political, economic, and administrative authority to manage the nation's affairs and the complex mechanisms, processes, relationships, and institutions as well as leadership behaviour through which citizens' groups articulate their interests, exercise their rights and obligations and mediate their differences. Governance is good when it is effective, efficient and when the participation, interests, and livelihood of the governed are the prime motives of the leaders' actions at every level of society.

Good governance is not a matter of government only but a situation of multiple crisscrossing relationships in which different and various actors in the public and private sectors at national and international levels play various roles, sometimes mutually reinforcing and complementary, sometimes conflicting, but always following the same principles and practices that are agreed as constituents of good governance. (GoR 2002c: 8)

Good governance in this Programme rests on four core areas: political, economic, administrative/managerial and social/civic governance, involving vertical actors (namely hierarchical institutions of government and international institutions which influence governance processes) and horizontal actors (incorporating civil society organisations, international NGOs, media and the private sector). As such it reflects both the broad and narrow definitions of governance outlined in chapter 2 (footnote 6, page 16). Interestingly, while the 1998 framework document focuses more on governance in terms of reconciliation and combating problems within Rwandan society of the past, including fighting ignorance and ethnic tension through the promotion of "high moral values" (GoR 1998: 3, translated from French), the 2002 Programme is strongly oriented towards poverty reduction. Poverty reduction is not

³⁴ Note, however, that under the PRSC there are new commitments to infrastructure. More international attentions is being placed upon infrastructure in Africa (see Commission for Africa 2005; Sachs 2005).

mentioned in the 1998 document and ethnicity is not mentioned in the 2002 document. Another interesting angle is that these programmes, both in 1998 and 2002, incorporate international institutions (IFIs, bilateral and multilateral donor agencies and international NGOs) into their frame of reference. This makes explicit not only the influence these actors have on internal governance processes, but also how these actors form an integral part of the national structure.

The definition of good governance therefore encompasses both institutional and socio-political issues. This has been translated into activities to decentralise powers and planning, strengthen institutional accountability and the role of Parliament, combat corruption, address weaknesses in the judicial system, and establish monitoring systems and good financial management systems to ensure accountability and transparency.³⁵ Various institutions have been established, such as the Office of the Auditor-General, the Rwanda Revenue Authority and the National Tender Board. In 1999 the Human Rights Commission, the National Unity and Reconciliation Commission (NURC) and the Commission on Legal and Constitutional Affairs were established. Institutional capacity building for policy-making and implementation has been emphasised, including civil service reform and human resources training. Decentralization and the holding of local elections were not only aimed at improving local accountability and implementation of policies, but also at “empowering the population politically, economically and socially” (GoR 2002c: 4); strengthening the judiciary and institutional accountability seek to build up the population’s trust in the system and to ensure that justice is served to bring about reconciliation. Respect for human rights, the empowerment of women, addressing environmental problems and land rights, and promoting private investment and the private sector are also central elements.

An emphasis throughout has been on governance as a instrument of national unity and reconciliation. Indeed, one of the root causes of the genocide has been attributed to ‘bad’ governance and the manipulation of the people by politicians. This attribution has been present in the discourse of the RPF regime throughout the post-1994 period, and links into a broader discourse which considers everything that happened before 1994 to be ‘bad’ and everything that happened afterwards to be ‘good’. An example of this thinking can be deduced from the ‘government’ page of the GoR’s website under the heading ‘Achievements of the Government of National Unity’:

The government of national unity of the Republic of Rwanda was established on July 19th 1994. Two weeks earlier the Rwandese Patriotic Army (RPA) had taken control of Kigali and put an end to the genocide that had been planned and executed by the MRND government of Juvenal Habyarimana. The 1994 genocide resulted in the violent deaths of one million people. Earlier cycles of genocide had occurred, claiming tens of thousands of lives, but failed to attract any interest or concern from the international community. Each life lost over three decades of oppression and genocide represented unfulfilled dreams and the betrayed hope of the people of Rwanda in their leaders and the international community. The government of national unity inherited a deeply scarred nation where trust within and between communities had been replaced by fear and

³⁵ The close association of governance with issues like decentralisation and popular participation is evident in that the Minister for Good Governance is located within the Ministry of Local Affairs, which is also responsible for registering and monitoring civil society activities.

betrayal, whose economy had ground to a complete halt, where social services were not functioning, and public confidence in the state had been shattered. Almost the entire nation was either internally displaced or had been forced to flee to neighbouring countries by the perpetrators of the genocide. It was with these enormous challenges that the Government of National Unity set about rebuilding the social, political and economic fabric of Rwanda.³⁶

This extract implies that the RPF, at the helm of the Government of National Unity, sees itself as having a moral right to govern Rwandan due to its victory over the genocidal regime of Habyarimana. Moreover, this moral authority is reinforced by the fact that the RPA ended a terror that the international community had ignored. The Government of National Unity is seen to symbolise the ‘dreams’ and ‘hope’ that had been crushed by the regimes of the previous thirty years.

To some extent, this sort of discourse also acts as a kind of safety valve in attributing Rwanda’s woes to ‘external’ actors or bad politicians rather than focusing on the role of Rwandans as individuals. This discourse of ‘moral authority’ is frequently turned on the international community, and drawn upon whenever the GoR is challenged over its actions:

Deprived of the aid they had hoped for, Rwanda’s new leaders began to argue that no one outside Rwanda should have the right to criticize the regime” (Pottier 2002: 159).³⁷

Several informants felt that the reluctance of donors to apply conditions to aid to Rwanda, and to engage in confrontational dialogue with the GoR stemmed from this situation – the guilt on one side, and the reminders of that guilt on the other.

Within the GoR’s governance discourse, political development has an important place but primarily in terms of institutional strengthening, national reconciliation and security, as well as popular participation. Freedom of expression is considered subordinate to these elements, although the decentralization law passed in 2001 did, in theory, aim at “giving people a chance to experience a culture of open debate in which ideas are debated rather than passively accepted” (GoR 2001a: 9). Until the elections in 2003, the idea of consensual politics was more important than moves towards multi-party democracy; indeed “consensus was [seen as] a step towards democracy” (GoR 1999b: 43). As noted in chapter 5, during local and district elections in 1999 and 2001 respectively heavy restrictions were placed on the freedom of political parties amid fears of a return to ethnic-based politics (ICG 2002). This relates to Rwanda’s short and tragic experience of multi-partyism in the early 1990s, introduced under external pressure. In reflections on the past this has led to analyses like “democracy was misinterpreted in Rwanda” and “there has never been democracy in Rwanda” (GoR 1999b: 43). This experience has left lasting scars. People with whom the elections of 2003 were discussed on an ad-hoc basis mentioned the importance of stability before political freedom.³⁸ Consequently, the twin concerns of a return to sectarian politics and internal security resulted in the

³⁶ <http://www.rwanda1.com/government/> (accessed 25.02.03). This page has now moved to <http://www.gov.rw/>.

³⁷ Pottier’s study provides very interesting insights into the RPF-led regime’s highly proficient information management tactics.

³⁸ As we saw in chapter 5, there appears to be a tendency in the more critical literature on present-day Rwanda to push aside Rwanda’s experiences with democracy in concentrating on the autocratic tendencies of the regime. Kimonyo *et al.* (2004) attempt to bring this aspect back into the debate.

GoR taking a 'paternalistic' approach to democracy (ICG 2002: 1), concentrating on education and awareness-raising about what democracy is or should be in Rwanda. This was seen as necessary in order to teach political leaders to be responsible citizens, and to teach the general population how to overcome the "culture of passive obedience" which had left them "open to political and sectarian manipulation" (GoR 2001a: 9). As we saw in chapter 5, however, these fears did not diminish with multi-party elections in 2003; rather, there was a hardening of the GoR's stance on 'divisionism' in the political sphere both before and after the elections.

Political governance, in the eyes of the GoR, is not merely about elections, however, but also about representation, control and accountability by the people, and about people taking responsibility for their problems and finding solutions. This approach is also applied to the idea of participation and consultation of the local population which is another core element of the international governance agenda. Popular participation in decision-making and policy-making processes are considered to lie at the heart of the PRSP approach as a means of rendering government more accountable and enhancing 'country ownership' of development actions. For the GoR, however, civil society organisations, including the media and private sector, have needed to be taught *how* to participate. Consequently, although civil society is very widely consulted in Rwanda on particular policies – from the PRSP, to good governance policy, to the constitution adopted in 2003 – the real extent of their contribution is limited. The voice of civil society is welcomed, provided it is not in any way politically contentious, and provided that civil society is working in a complementary fashion with the GoR's own activities. There is very little room for civil society groups to propose any form of political alternative to the programmes being offered; and once again the space for this appears to have diminished rather than increased since the 2003 elections.

This issue has been addressed by several authors, notably around the PRSP process, where real civil society involvement has been questioned (see for example Mutebi *et al.* 2001; Maxwell and Christiansen 2002; Bugingo 2003; Renard and Molenaers 2003). My own discussions of this with representatives of NGOs in Rwanda revealed that the depth of knowledge about the PRSP process is weak, especially outside Kigali and the main policy-making circles. Moreover, civil society was considered to be weak, disparate, frequently co-opted by the GoR and highly controlled.³⁹ Informants were particularly concerned that donors were not using their influence over the GoR adequately to address the question of civil society freedoms. Moreover, donors were willing to "pass off superficial consultation as deep participation,"⁴⁰ which coincides with my own observations. In February 2004, I observed a meeting on collaboration with civil society on implementing the PRSP. Donor representatives were present for the first sessions of the day when the GoR's programme was outlined, but almost none were present in the afternoon sessions where the participants were split into small groups to discuss aspects of the PRSP. Many of the civil society representatives seemed to have had no engagement with the PRSP over the preceding years, were unaware of its content, evaluation processes, or even of consultation meetings organized previously.⁴¹ In April 2004, a meeting was

³⁹ See also Unsworth and Uvin (2002).

⁴⁰ Interview, representative of international NGO, Kigali, 27 November 2003.

⁴¹ Observations, meeting organised by Minecofin on civil society participation in implementing the PRSP, 19 February 2004.

held to prepare the Poverty Reduction Strategy Progress Report where representatives of civil society organizations were present. These included international NGOs, national NGOs, churches, trade union representatives and the media. Presentations by Minecofin officials stressed how ‘participatory’ the PRSP process had been, yet throughout the day very little space was given to the civil society voice and few questions were raised by these participants.⁴² Yet, both donor officials and some civil society representatives were very positive that the GoR was showing a willingness to engage with civil society on policy issues in this way.

Another example comes from a meeting organized by a local NGO specifically on the PRSP which I observed. Questions from the floor focused on accessing money rather than engaging with the process.⁴³ The lack of real engagement with government programmes was a source of some frustration for several GoR officials with whom this was later discussed. They complained that they wanted to engage with civil society groups but the lack of organisation amongst local NGOs meant that they did not know who to contact. This raises interesting questions about the nature of participation and consultation processes; not just about whether the GoR is actively consulting local groups, but also about how these groups themselves seize the initiative. These experiences point to problems in the nature of Rwandan civil society, but also how much donors engage with the reality of concepts like participation.

What emerges from these reflections on governance in Rwanda is a very mixed picture. The harshest critics of the Rwandan regime condemn it as increasingly authoritarian, warning that the GoR is using its ‘genocide credit’ to both maintain control of the political arena and to head off external criticism. Pottier claims that “Kigali’s post-genocide regime knows how to make political capital out of the empathy and guilt that exist within the international community” (Pottier 2002: 47), and has been doing so since 1994. Indeed, one argument would indicate that the rhetoric of the GoR demonstrates increased signs of instrumentalisation of the genocide over the years. In the early post-1994 documents, there is limited specific reference to the genocide; it is referred to more in terms of ‘tragic events’. However, by 2004 the genocide discourse is much more flagrant, and closely tied in with the harshening of language around divisionism which we saw in chapter 5. Documents from the late 1990s call for a fight against ‘sectarianism’. For example, in the Village Urugwiro report there was a proposal for a law “punishing those who continue to base their ideas on sectarianism, who minimize the genocide and massacres” (GoR 1999b: 61). Comparing the recommendations of the NURC conferences in 2002 and 2004 is revealing. In 2002, the strongest recommendations focused on the need to “eradicate hindrances of the unity of Rwandans, and to keep factors of disunity at bay”; to “come up with programmes building and promoting full fledged Rwandanness”; to combat “genocide ideology... by all means”; and to encourage Rwandans to participate in *gacaca* (GoR 2002d: 77-78). The recommendations of the 2004 summit, on the other hand, propose “drafting a law urging all Rwandans to participate to sessions of Gacaca Jurisdictions”; providing “severe sanctions against whoever denies the 1994 Genocide and whoever impedes the smooth running of Gacaca Jurisdictions”; setting “up directives on characteristics of the ‘belonging to

⁴² Observations, meeting organised by Minecofin to launch the PRS Progress Report, 21 April 2004.

⁴³ Observations, meeting organised by Rwandan and regional human rights organisations (CLADHO and LDGL) on the PRSP, the European Union Cotonou Accord and NEPAD, 17-18 February 2004.

the Rwandan broad family””; and developing “strategies for its reinforcement by showing don’ts (interdictions) such as criticizing and speaking ill of such belonging” (GoR 2004).

This language demonstrates the vulnerabilities at the heart of the Rwandan state and society, the signs of fear, distrust and political conflict that demonstrate another ‘face’ to the constructed discourse of unity and national reconciliation which has underpinned the ideology of the regime since 1994. The reconciliation discourse pervades, but there is little doubt that the people are if anything merely ‘living together’. This comes out particularly in the debate over history. Much debate at the Village Urugwiro discussions was oriented towards reviewing the history and ‘truths’ of the Rwandan nation which allowed the descent into genocide to happen. This revision of Rwandan history has been a topic of constant debate both internally and externally, amongst Rwandans and external analysts.⁴⁴ The ‘history’ proposed by the GoR is one where pre-European arrival Rwanda was characterized by unity and general peace and that hatred and sectarianism were sown by the Europeans. Popular acceptance of colonial history and its instrumentalisation by the post-independence regime led to “ethnism, regionalism, destruction” (GoR 1999b: 12, 29). The debate on history remains contentious. Since 1994 history has not been taught as a subject in schools and external academics have been called in to help with redrafting the history curriculum (Obura 2003; Hayman 2005b).

A consequence of these profound vulnerabilities appears to be a search for sources to externalise problems rather than raise uncontrollable demons, as we saw above. An illustration of this was around the 10-Year Commemoration of the genocide in April 2004, when there were very frequent references to the failures of the international community to halt the genocide and particularly strong accusations against actors like the French.⁴⁵ This culminated in a diplomatic incident as the French representative at the ceremonies walked out after a tirade of abuse from the Prime Minister.⁴⁶ This is illustrative of a wider phenomenon, namely how the GoR deals with external criticism of its actions. This sometimes becomes vicious and highly personalised (Reyntjens 2001; Prunier 2002), with claims that “[v]oices critical of the regime become victims of character assassination, intimidation or even physical threat” and that “many foreign critical voices have simply become *persona non grata*” (Reyntjens 2004). The GoR is always quick to reject allegations made against it with regard to human rights in particular. For example, in 2002, the GoR launched a vitriolic attack against the International Crisis Group (ICG) when it published a very critical report of the democratisation process in Rwanda, accusing it

⁴⁴ See IRDP (2003: 19, 22) on popular feelings about history and the need to reflect seriously on it, recognising that it can be used as a weapon of the powers-that-be and that multiple interpretations exist. See also Pottier (2003) on ‘rewriting history’, Eltringham (2004) for an overview of the literature on Rwandan history and Diaspora perspectives, and Lemarchand (1998).

⁴⁵ During the 10-Year Commemoration, a conference was hosted on the role of international actors in the genocide, with a repeated message from the GoR about the guilt of the international community and that Rwanda was owed compensation. The radio announcements about this event were strong in their accusations of foreign guilt. This trickled down into other media. When I attended a commemoration ceremony outside Kigali with a friend, I was the only white person present. My presence was apparently questioned by several people there, who used very similar language to the press reports. As a foreigner I was equated with those responsible for the genocide (Fieldwork Diary: 6 April 2004 and 14 April 2004).

⁴⁶ ‘Premier lashes out at French’, *The New Times*, April 21-22 2004.

of waging “a misinformation campaign designed to not only malign the Government of Rwanda, but also to undermine the efforts of the Rwandan people regarding national unity and reconciliation”, and condemning certain individuals which it claims “have deliberately used the ICG to advance the destructive agenda of negative organizations, including known and recorded terrorist groups.”⁴⁷ Similar attacks have been made against Amnesty International and Human Rights Watch.

Accusations of the GoR “institutionalising the genocide to justify its claim to power and to sideline potential opposition” (van Hoyweghen 2000:27)⁴⁸ are strongly condemned by officials, however:

It is inconceivable that anybody would trivialise these horrendous crimes by making the absurd charge that we derive political capital from divisions, genocide, and fear, as some misguided self-styled experts on Rwanda have suggested.⁴⁹

Moreover, GoR officials were adamant that the pursuit of ‘good governance’ was not merely about meeting external demands. Indeed, informants expressed indignation about donors pushing for democratisation and good governance as if both the Government and Rwandan population themselves were not committed to it in the interests of the future of the country:

Sometimes [we] feel that donors have no respect, as if democracy is only done for the sake of donors. (official, Ministry of Foreign Affairs, 8 December 2003)

[The] GoR does not need to be told that it needs good governance. Good governance is good for us but needs to come from us. For donors good governance is about trends, visibility – for Rwanda it is about the future and working for ourselves. (official, Ministry of Foreign Affairs, 9 November 2003)

If Rwanda is pushing for democratisation it is not because the West is saying so but because we realise that it is necessary for development. (Member of Rwandan Parliament, 31 October 2003)

Furthermore, the GoR has been praised for its commitment to democratisation and governance in recent years. In September 2005, President Paul Kagame was presented with the African National Achievement Award by the Africa-America Institute in recognition of the post-genocide achievements of Rwanda;⁵⁰ in 2004, he was awarded a prize for Good Governance; and Rwanda has been a strong proponent of the African Peer Review Mechanism under NEPAD, offering to be one of the first countries to undergo the process.⁵¹ While the space for expressions of political opposition does appear to be diminishing, it cannot be denied that a degree of participatory debate has been permitted in Rwanda. Ethnicity may be a taboo subject in the political arena,⁵² but there have been signs of what appears to be a genuine

⁴⁷ GoR press release, 19 November 2002.

⁴⁸ See also Uvin (2001a) and Reyntjens (2004).

⁴⁹ ‘Rwandans united for a new era’, speech by President Paul Kagame, Kigali Amahoro Stadium, 12 September 2003 (official English translation of speech in Kinyarwanda).

⁵⁰ *The New Times*, 19th September 2005 (see http://www.rwandagateway.org/article.php3?id_article=1009)

⁵¹ See *Rwanda NEPAD Magazine*, 2nd issue (November 2004) and 3rd issue (June 2005). Available from <http://www.rwandagateway.org>. See also <http://www.nepad.org/2005/files/aprm.php>

⁵² On the question of ethnicity in Rwanda after the genocide, see for example Chrétien (2000), van Hoyweghen (2000), Mamdani (2001) and Eltringham (2004).

debate about how the country reached the point of such complete collapse, such as the annual NURC summits, IRDP research (IRDP 2003) and national seminars organised by this group in 2003, and public conferences on genocide and ethnicity at the National University and during the 2004 10-Year Commemoration. Public consultation on matters of national concern have occurred, such as on the Constitution and the PRSP. While these may have been flawed processes, circumscribed in terms of expressions of a political nature and characterised by self-censorship, the important thing is that they have happened.

Consequently, it is possible to 'read' Rwanda in very different ways, and this is very important for reflecting on relations between the GoR and donors, as how donors understand Rwanda and the GoR depends greatly upon their perceptions of the state and country. For example, the *gacaca* can be seen as a progressive way of dealing with a massive justice problem or contributing to insecurity (Corey and Joireman 2004); elections as a step towards democracy (Uvin 2001a) or a perpetuation of authoritarianism (Uvin 2003; Reyntjens 2004). The role of many NGOs, particularly those concentrating on human rights, is to undertake critical analysis. However, for donors providing aid under a broad-based programme, a core question is how to balance negatives and positives, such as the presence of a more independent media against limitations set upon these, an improvement in fundamental human rights against freedom of expression, a state genuinely committed to socio-economic development and institutional good governance against a deteriorating political governance record.

Conclusion: the 'Faces' of the GoR

In 2001, Uvin wrote:

Those who negatively judge the GoR are troubled by its continued, if not increasing, dominance by the RPF; the weakness of systemic checks and balances on the government; the increasing 'Tutsification' of important government positions; the co-optation or repression of independent forces in civil society; and the allegations of major human rights violations. The contrary point of view is that the government is multi-ethnic; has respected the spirit of the Arusha agreement; is trying to improve the quality of its governance; allows for a largely free press and broad-based civil society; and more generally, given the reality of the genocide and continued civil war, has been remarkably willing to try to live up to high standards of governance. (Uvin 2001a)

In a subsequent piece, written with Unsworth in 2002, Uvin refers to the "contradictory faces" of the state in Rwanda (Unsworth and Uvin 2002: 6): on the one hand, the concentration of power, the weak human and financial resources, and the need to construct itself from scratch; on the other hand, the Rwandan state is "stronger and more institutionalised" than most other African states, and gives off the appearance of a 'developmental state' in the Asian model, that is an authoritarian regime which seems to show "genuine commitment to development and progressive social change" (*idem*). The progress that Rwanda has made since the genocide is highly impressive, but it is far from ideal. As Kimonyo *et al.* observe:

Rwanda has moved toward higher levels of security and stability after the genocide. Tensions between the two ethnic groups have been greatly reduced,

and infrastructure has been rehabilitated in an accelerated fashion. This progress has been achieved, however, at the price of unbending political control by the party in power. (Kimonyo, Twagiramungu and Kayumba 2004: 8)

The risk is that, rather than continuing down the path of developmentalism, Rwanda will veer into similar problems experienced by other potential developmental states in Africa, namely in displaying increasingly authoritarian and neo-patrimonial characteristics in its political system, with the needs of the economy and wider society subordinated to the political imperatives of the ruling elite (see Lockwood 2005).

The idea of the GoR having dual faces emerges in the writings of a number of different authors (see van Hoyweghen 2000; Mamdani 2001; Reyntjens 2001; Pottier 2002; Storey 2003) and is raised frequently by actors within Rwanda. This points to a considerable dilemma for donor agencies, one which is reflected in the very different positions they have adopted over the years towards supporting the GoR. This chapter has demonstrated how many of the GoR's policies and priorities resonate strongly with the preoccupations of the international community. Since 1994 economic reform and socio-economic development have featured highly as prerequisites for lasting peace. Since the late 1990s the language of poverty reduction has taken centre stage in relations. Institutional and political governance issues are being addressed. Part of this can be attributed to the weaknesses in GoR capacity for policy-making in the early post-genocide years, leading to a heavy reliance on external expertise in various forms - financial, technical, human and material. Consequently, the stamp of international agencies is evident upon many of the GoR's socio-economic policies. Indeed, in a country which receives over 50% of its annual budget from external resources, where every Ministry is bolstered by foreign technical assistants and where almost every workshop or publication is in some way financed by a donor, it is hard to imagine that the government is wholly unimpeded by externally imposed agendas. Whether the evident orthodoxy that emerges within current GoR policy positions, which emphasise economic growth and poverty reduction through strengthened institutions and participatory governance, derives from the need to guarantee a supply of funding from donors, from the influence of external advisors, from the theoretical perspectives of an elite who have been educated and who have worked abroad, or from a fundamental belief within GoR political circles that these are the best policies to achieve its goals is hard to ascertain. Elements of all these possibilities came up in interviews with Rwandan officials.

The proficient deployment of the language of development adds to the image of the GoR as developmental and poverty-focused. Speeches by officials of the GoR make frequent use of this. For example, at the meeting on harmonisation of budgetary support in November 2003, the Minister of Finance reminded donors that "no development agenda can succeed unless it is fully owned", recalling agreements made at Monterrey in 2002 and in Rome in 2003 to achieve the MDGs by enhancing "mutual accountability" with a "reinforced partnership" and "coherent policies", by making long-term commitments, with predictable, flexible aid.⁵³ This language is also employed to hold donors to their own rhetoric, which comes out strongly in Rwanda's push for more aid in the form of budget support, in its demands for better

⁵³ Donald Kaberuka 'Opening Statement at the Consultative Meeting on Harmonization of Budget Support', Kigali, 18 November 2003.

donor coordination and coherence, and in its search for country ‘ownership’. Interviews with government officials were strongly imbued with this sort of language, with a clear desire for ‘ownership’ ever present.

Indeed, despite the GoR’s dependence on external financial and technical resources, this chapter demonstrates that donors are far from entirely controlling development processes in Rwanda, and that the GoR does not passively defer to donor demands. The GoR has its own mind about the direction the country is heading, and has come up with some innovative policies to address the specific problems facing the country. Whether this means that the GoR ‘owns’ its development policies is debatable, however. Killick suggests that there are several possible levels of ownership:

- the locus of programme initiation, i.e. with the donors or the government;
- the technocratic dimension, i.e. the extent to which key policy-makers or ministries are involved and on board;
- the political dimension, i.e. the extent of engagement by the leadership;
- the breadth of public support, and their involvement in the process; and
- the degree of institutionalisation, i.e. the extent to which a given set of policy reforms becomes institutionalised within the policy system.

Consequently,

Government ownership is at its strongest when the political leadership and its advisers, with broad support among agencies of state and civil society, decide of their own volition that policy changes are desirable, choose what these changes should be and when they should be introduced, and where these changes become built into parameters of policy and administration which are generally accepted as desirable. (Killick 1998: 87)

The opposite case is when “reforms are donor-initiated and designed, with little domestic support and few local roots.” (idem: 87-88). However, he also highlights a blurred area in between, where donors may have a strong hand in policy processes due to limited government capacity, but where the nexus of decision-making still lies with the government.

For their part, Renard and Molenaers consider ‘ownership’ in terms of three groups of actors with regard to PRSPs, stressing the importance of ownership at different levels within the public administration:

- Government, within which there is
 - o Technocratic ownership, i.e. the expertise to prepare PRSPs
 - o Political ownership, the highest level of commitment to the PRSP
 - o Bureaucratic ownership, widespread support within government;
- Civil Society, where ownership requires representativeness, autonomy vis-à-vis the state, embeddedness and proximity to the poor;
- Donors, whose role includes accepting recipient priorities expressed in the PRSP, adapting aid procedures to allow government control over aid resources, and coordinating with other donors. (Renard and Molenaers 2003: 9)

Reflecting on these ideas, the answer with regard to Rwanda’s ownership is somewhat inconclusive. On the one hand, many of the ideas, both orthodox and unorthodox, originate from the GoR and are firmly believed in; the GoR continues to push its policies even where donors are reluctant. On the other hand, many decisions are driven by external factors, notably access to resources, and many policies are

drawn up with (or by) external advisors. Moreover, many of these policies are not internalised beyond a small group within the administration, including the PRSP and coordination strategies. GoR rhetoric takes a clear line that Rwanda owns its policies and processes; many donors and NGOs are less convinced.

Nevertheless, there is an unwavering GoR position in its preoccupations with security and stability. The more recent drive to achieve poverty-oriented developmental targets has not detracted the GoR from the underlying principles which were espoused in July 1994 and which have endured through to the 7-Year Programme adopted following the 2003 elections. Ten years after the devastation of the civil war and genocide, Rwanda's internal stability may appear assured but the challenges are still enormous and many of the underlying political, social and structural tensions within the country remain unresolved.

This leads to very different ways of analysing the reality on the ground in Rwanda, looking beyond the policy rhetoric to the way in which policies are actually implemented. The real poverty orientation of the GoR is questionable in light of certain policies which appear decidedly anti-poor; likewise, the commitment to democratisation is cast into doubt with the closing of political space for alternative voices. But it is important to recognise that within the GoR there are very different voices. The position of the GoR may be down to a genuine fear of a return to violence which cannot be underestimated given evident tensions within the country, or increased authoritarianism due to vulnerability about retaining power. It is here that the concerns of donors become more evident and where the different ways in which the GoR can be interpreted impact upon aid relations. Some analysts would claim that the 'genocide credit' is over in Rwanda, with more overt criticism being made of the RPF regime both internally and externally vis-à-vis human rights, internal political progress and regional security (Reyntjens 2000, 2001; Braeckman 2003: 244). However, the ways in which donors perceive the GoR, the ways in which they engage with the regime, how they deal with the genocide legacy and GoR discourse, and what they choose to 'see' vary widely. This is essential to understanding the complex world of aid in Rwanda, and in the next chapter we consider these questions through a detailed analysis of two bilateral donors, Belgium and the UK.

Donor Positions: Belgium and the United Kingdom in Rwanda 1994-2004

Introduction

Belgium has played a central role in Rwanda's recent history – as a colonial authority, as a major donor in the post-independence decades, and as a provider of peace-keeping troops prior to and during the genocide. After the genocide, Belgium went through a period of soul-searching about its role, but despite rocky relations between the Belgian and Rwandan governments after 1994, Belgium has remained an important donor to Rwanda. Following a change in government in Belgium in 1999 relations have steadily improved. Nevertheless, Belgium's engagement with Rwanda has been and continues to be affected by divergent views on the nature of the GoR within Belgian society, deriving from its particular historical and social legacy. That, together with a series of reforms and changes within the Belgian administration of development cooperation has impacted on the country programme over the last ten years.

The United Kingdom, in contrast to Belgium, has a very short history in Rwanda. Prior to the genocide, it had no presence in Rwanda at all and no bilateral aid programme. In the immediate aftermath of the genocide, however, the UK began to provide military and humanitarian assistance. By 1996 an embassy had been established and after the election of a new government in the UK in 1997, the Rwandan programme expanded rapidly. It became an example of the UK's new approach to aid delivery with the provision of budget support focused on key sectors for the reduction of poverty, in very close collaboration with the Rwandan authorities.

By exploring in more depth the relationship between these two donors and the Government of Rwanda, this chapter takes forward a number of issues raised so far in this thesis. The current programmes in Rwanda of both these donors stress the importance of poverty reduction as their central aim. However, the nature of their activities differs greatly for reasons related to these contrasting histories in Rwanda, but also to differences in these donors' aid and development policies more generally. This chapter examines why the UK and Belgium have acted as they have in Rwanda between 1994 and 2004, how the genocide has impacted on their activities, how their engagement with the Rwandan regime has developed over time, and how their activities reflect shifts in aid thinking at an international level. By exploring these two cases, a clearer picture of the complexity of aid in Rwanda emerges, with lessons of specific relevance to Rwanda and of broader significance. After providing a brief overview of Belgian and UK aid, this chapter takes a comparative perspective of several elements of UK and Belgian policy: history and domestic political factors, the nature of the cooperation programme, and conditionality and relations with the GoR.

Belgium and the UK in Rwanda 1994-2004: an overview

In December 2002, Belgium published a new policy paper on Rwanda (DGCD 2002); DFID published its latest paper on Rwanda in February 2004, after a year-long preparation and consultation process (DFID 2004c). The programmes outlined in these documents display strong similarities in terms of overall objectives and strategies. Both aim to support poverty reduction, peace building in Rwanda and the region, governance, socio-economic development and human rights; and both pledge to work within the framework of the GoR's PRSP and in collaboration with other donors. As a consequence, these strategies also reflect broader global trends in development cooperation and the general policy lines of these two donors.

The overall international development framework of the UK Labour government elected in 1997 and returned in 2001 and 2005 is set out in two White Papers, *Eliminating World Poverty: A Challenge for the 21st Century* (DFID 1997) and *Eliminating World Poverty: Making Globalisation Work for the Poor* (DFID 2000). These documents outline how UK aid will focus on poverty reduction and achieving the Millennium Development Goals (MDGs) through a range of measures: promoting good governance and market-led reforms, investing in education and skills, addressing trade and environmental issues, and improving aid effectiveness at the international level. While the 1997 White Paper is more representative of international trends in development thinking, the 2000 White Paper articulates a clearer DFID line, but constitutes more of a government-wide approach to globalisation than dealing specifically with international development (McGrath 2002; King and McGrath 2004: 118-119). Conflict resolution also plays an important role, with the Great Lakes featuring as an area to be addressed. Tackling poverty is a objective for DFID, closely tied to the strategies of the international financial institutions and the OECD-DAC, with greater support going to the poorest countries (Morrissey 2002).¹

Underpinning Belgium's Rwanda policy paper is the 1999 Law on International Cooperation. This frames documents such as the 2000 policy paper *Quality in Solidarity: Partnership for Sustainable Development* (DGCI 2000a) and the 2003 *General Policy Note* of the Minister of Development Cooperation (GoB 2003). The core principles are to establish strong partnerships with developing countries to tackle poverty and support sustainable development, with a concentration on 25 countries (reduced to 18 in 2003) and five sectors (health, education, agriculture, basic infrastructure and civil society). In the 2003 *Note*, a greater emphasis was placed on achieving the MDGs, enhancing country ownership, improving aid efficiency and adopting 'new' aid instruments, including a gradual move from project to programme support.

¹ Although portrayed as such (see for example Short (2004) "we exchanged enthusiastic words about the new focus on the reduction of poverty"), this emphasis on poverty reduction is not entirely new. Poverty has been a feature of UK aid objectives since the 1960s, returning regularly to the agenda under Labour governments in particular, and resurfacing in tune with global thinking after 1990 (Maxwell 1996; Healey 1997; Burnell 1998; Lancaster 1999). DFID's definition of poverty has been critiqued, however. For example, Booth and White are concerned that it uses a limited definition covering only income poverty (Booth and White 1999: 1). Biccum (2005) bemoans the lack of analysis of the underlying causes of poverty as well as the moral and economic overtones which see poverty as both degeneracy to be tackled and a threat.

Table 7.1 Belgian and UK programmes in Rwanda²

	Belgium (DGCD)	UK (DFID)
Overall Aid Objectives	2000: 'do no harm', poverty reduction and sustainable development. 2003: MDGs, aid effectiveness, shift to new aid instruments. Restricted countries (18)	2000 White Paper: poverty reduction, MDGs, aid effectiveness through harmonisation and budget support
History in Rwanda	Trusteeship of Rwanda from 1924-1962. Post-independence: one of Rwanda's top donors until 1994, providing social, political, economic and military support. Post-1994: drops behind other donors as diplomatic relations waver. Remains within top 10 donors, with greater re-engagement since 2000.	No presence in Rwanda prior to 1994. Emergency response to the genocide leading to a permanent presence with embassy opened late 1995. Strong support for GoR on basis of personal relationships; rationale for aid is genocide legacy and faith in new regime's commitments to poverty reduction and democratization.
Recent Trajectory in Rwanda	1994-1999: 'mutual suspicion' characterised relationship, soul-searching in Belgium about role in genocide. Since 1999 'cautious engagement', with Central Africa a priority area. Ongoing concerns about nature of GoR preventing provision of budget or sector support.	Substantial cooperation programme from 1997. Since 1999 UK interchanges with USA as first or second largest bilateral donor, providing around 25% of all bilateral aid; fully devolved office by 2003 and large-scale budget support programme.
Aid Flows	Decline 1996-2001 from €23m to €12m. Levels affected by reform of cooperation 1999-2001. Since 2002 trend reversing, with new resources committed in 2004. Set to rise to €22.6m by 2006.	One of few 'new' countries where UK aid is increasing significantly. Rise from £2m in 1995 to planned £47m by 2008.
Regional Policy	Rwanda and the DRC are top recipients of aid, with Burundi also very important. Great Lakes Plan (2001) aims at security, stability and development in region.	Strong presence throughout East Africa. No regional policy but new commitments to provide support to Burundi (small-scale, humanitarian) and DRC (more substantial programme to support transition process)
Aid Channels and Instruments	Bilateral projects (potential for sector support under investigation) co-managed by BTC, technical assistants and GoR counterparts. Indirect support through Belgian and local NGOs, Belgian regional bodies, universities. Each project negotiated with GoR.	Most aid provided as general budget support. Under 2001-2003 programme one-third earmarked as sector support to education. Provision of short and long-term technical assistance in ministries (education, finance, gender, land). Some large projects and small-scale support to NGOs.
Sectors	Post-genocide concentration on justice, health, rural development and education. Also institutional support to Ministry of Finance on and off since 1997, Ministry of Health and Ministry of Justice.	Strong presence in Ministry of Education and Ministry of Finance (revenue authority, PRSP, budget); plus advisors in Ministries of Gender and Lands. Focus mainly on institutions and planning systems.
Dialogue with GoR / Conditionality	Overall programme framed by Convention with projects/programme negotiated in bilateral talks (most recently in May 2004). Overall conditions apply to the programme but subordinate to individual conditions negotiated for each project. Frequent high level ministerial visits since 1999, including Prime Minister and Ministers of Foreign Affairs and Development Cooperation.	Overall programme framed by Memorandum of Understanding (signed 1999, renewed 2004) which sets out mutual commitments of partners. Programme approach based on close policy dialogue with GoR. Frequent visits by Secretaries of State for Development Cooperation. No high-level Foreign Office visits.
Coordination	Officially leading in the health sector for donor side, although limited activity until 2004. Coordinates sub-group on <i>gacaca</i> . Regular meetings at Belgian embassy of Belgian actors in Rwanda including Belgian and local NGOs supported by Belgium.	Leader in the education sector for donor side. Heavily involved in Budget Support Harmonisation Group. Was driving force behind early donor-GoR partner talks. Limited formal engagement with UK NGOs or Rwandan civil society.
Domestic Issues	Large Rwandan and regional diaspora, with opposition groups to GoR in Belgium. Limited real influence over Belgian policy. Divided opinions amongst academics and NGOs, with some very critical of Rwanda. Fairly widespread public knowledge and interest in Rwanda. Divisions impede shift to more programme-based approach.	Limited interest within political circles beyond few individual politicians, reflecting low public interest in GLR. Some NGOs becoming more critical of the UK's approach and lobbying more strongly. Limited Diaspora voice, although survivors' groups relatively active. Changes in cooperation minister impacting upon programme.
Presence on the Ground	Strong presence of Belgian technical assistants present throughout country, often with extensive experience in GLR. Continuity in projects despite changes within the overall policy. Full embassy with growing DGCD staff. BTC office expanding.	Devolved country office with policy analysts and programme staff. Strong presence within certain ministries of technical assistants. Limited knowledge at first of GLR, but improving, although limited networks beyond GoR circles.

² Throughout this chapter, aid figures are given in the currency used by the donor agency: Euro (€) for Belgium; Sterling (£) for the UK. Exchange rates fluctuate, but the official exchange rates provided by the OECD in January 2004 were \$1= €0.8851 and \$1 = £0.6124

The similarities between the policy principles of DFID and DGCD³ both globally and in Rwanda are evident; yet, there are also a great many differences. Table 7.1. provides an overview of the two programmes in Rwanda, highlighting where there is resonance and divergence and building on the overview given in chapter 3.

History and Domestic Political Factors

The first and most obvious contrast between the UK and Belgium is their historical trajectories in Rwanda and the Great Lakes Region. This has had a profound impact upon the nature of their engagement in Rwanda since 1994. As table 7.1 shows, Belgium's official links with Rwanda go back to 1924, when it was given a mandate over the territory of Ruanda-Urundi (Chrétien 2000: 228).⁴ Belgium left a heavy colonial imprint on Rwanda, economically, socially and culturally. Although colonial history has a fairly limited bearing on the day-to-day relations between the governments, as Rwanda goes through the self-reflection process essential to national reconciliation, this legacy and Rwanda's contested history continue to resonate in broader Rwandan society as we saw in chapter 6. It is Belgium's more recent history which has had the greater impact on the post-1994 relationship between the two governments, as well as internally within Belgium. The strong political, cultural, social and economic ties between the Belgian population (and the Belgian Government) and the previous Rwandan regimes under Kayibanda and Habyarimana (Saur 1998) led to an atmosphere of mutual distrust between the post-1994 GoR and Belgium, where the same government was in power before and after the genocide. The withdrawal of Belgian troops after the death of ten Belgian paratroopers during the genocide and the pressure exerted by Belgium on the United Nations to halt the peacekeeping mission altogether, increased the sense of bitterness towards Belgium by the GoR.

This 'mutual distrust' is evident in Belgium's early approach to the new regime, which was marked by what has been termed 'constructive criticism' (Reyntjens and Parqué 2000).⁵ This was based on the belief that the RPF would not bring stability to Rwanda (Debar, Renard and Reyntjens 1999), as well as concerns by 1996-97 about Rwanda's involvement in eastern Zaire where Belgium considered itself to be one of the few donors standing up for Zairian sovereignty (Verwimp and Vanheusden 2003). Belgium was among the donors to apply conditions to aid in the post-genocide period, freezing aid over the Kibeho incident, and was one of the more critical donors speaking out at the Round Tables (c.f. Chapter 5).

Within Belgium itself, the legacy of the genocide had profound consequences, which have in turn affected development cooperation and political relations. The genocide came as a shock to many Belgians. It was a country which had been considered "virtually flawless" and a "model" for aid management (Renard and Reyntjens 1995; see also Uvin 1998). But suddenly media attention was turned on

³ DFID is the UK's Department for International Development, previously the Overseas Development Administration (pre-1997); DGCD is Belgium's Directorate-General for Development Cooperation. This name was changed in 2003 from the Directorate-General for International Cooperation.

⁴ Belgium has a longer linked history with Rwanda, nevertheless, with economic and cultural ties dating back to the late 19th century (see Chrétien 2000).

⁵ Several informants within the Belgian administration interviewed in 2003-2004 continued to use this term 'constructive criticism' to describe the Belgian approach.

Belgium's past and present role, leading to a process of introspection on an individual and societal basis (de Lame 2003; see also Destexhe 1996). The in-depth parliamentary enquiry in 1996-97 into Belgium's role in the genocide, brought before the Senate by the current Prime Minister who was in opposition at the time, Guy Verhofstadt, amongst others (Belgique-Sénat 1998),⁶ represented an act of purging. The enquiry had consequences beyond relations with Rwanda alone, highlighting profound flaws in Belgium's approach to foreign affairs and development cooperation (Willame 1997; Lanotte 2000; Willame 2000). It led to the shift in foreign policy adopted by the Verhofstadt regime – a coalition of Liberal, Socialist and Green parties which took power in 1999 ending thirty years of Christian-Democrat political domination – which saw a move from 'panic diplomacy' to a more ethical, moral diplomacy based on the centrality of human rights (Rosoux 2002; de Lame 2003).⁷ This change in government in Belgium also brought about a significant thawing in relations with Rwanda, moving from 'disengagement' (Reyntjens and Parqué 2000) to 'cautious engagement'. This term was used by officials to capture an approach which aimed at supporting Rwanda as constructively as possible, not disengaging, but not rushing in 'blind' either. In so doing, Belgium could lay the groundwork for a deeper aid relationship as Rwanda stabilised. A further turning point came with the public apology to the Rwandan people on behalf of the Belgian people by Verhofstadt in April 2000, although lingering doubts about the regime have continued to affect the programme, as we shall see below.

In sharp contrast, the UK had no history as a donor in Rwanda prior to 1994. Although strongly present in Uganda, with diplomatic representation in Zaire, the UK's bilateral relations with Rwanda, Burundi and eastern Zaire were extremely limited. Engagement in Rwanda since 1994 has therefore been premised upon the UK's 'clean slate', untainted by association with the former regime: "We do not have an historical legacy in Rwanda; we are trusted and regarded as even-handed" (DFID 1999: 5). This lack of a historical legacy was considered central to gaining the trust of the new regime by officials involved in the Rwanda programme in the immediate aftermath of the genocide, who emphasised the UK's innocence at the time to what had been building up in Rwanda.⁸ This 'innocence' has been challenged by researchers investigating how calls for intervention were ignored or sidelined by the UN Security Council, including by the UK government (Melvern 2004; Melvern and Williams 2004). For Williams, this reflected an attitude of "total indifference" given that Rwanda lay beyond Britain's sphere of influence or interest (Williams 2004a). Porteous sees it rather as representative of Britain's lack of vision vis-à-vis Africa

⁶ The enquiry was widely reported in *La Nouvelle Relève* in Rwanda in early 1998, with Belgium praised for undertaking such a public and in-depth analysis (in contrast to France). It was not without criticism, however. One article by Sevilien Sebasoni (an academic and RPF activist) considered the enquiry to have avoided the difficult questions about ethnicity and anti-Tutsi sentiments prevalent in Belgium (*La Nouvelle Relève*, 31 March 1998).

⁷ This included the passing of a law on 'universal responsibility' which has led to high-profile legal cases being brought in Belgium against perpetrators of human rights abuses in other countries, e.g. General Pinochet and Ariel Sharon, but has also allowed genocide suspects living in Belgium to be tried for crimes committed in Rwanda. Note that this concern with an 'ethical' foreign policy mirrors the sentiment of the new UK government in 1997 (see Porteous 2005).

⁸ Telephone interview with Lynda Chalker (former UK Minister for Development Cooperation), 8 September 2004.

which resulted in “policy drift, caution and inaction verging, in the case of Rwanda, on negligence” (Porteous 2005). Indeed, prior to 1997 the UK, like many EU donors in the Post-Cold War period, was providing additional support to the countries of Central and Eastern Europe. Moreover, a large proportion of development assistance was going to middle income countries (Healey 1997).

Despite this, the UK, unlike donors such as France and Belgium, has never received open recrimination from the GoR for its lack of action, beyond the general blame placed upon the international community as a whole.⁹ UK officials said that they never encountered a sense of specific bitterness towards the UK; quite the reverse in fact. The UK’s strongly supportive stance of the GoR right from the outset in 1994 meant it was viewed as a ‘good friend’. Although the UK only had a small budget for direct action from 1994 to 1996 – a mere £1m in 1994 increased to £3m in 1995¹⁰ – officials felt that it had made a considerable difference because they were willing to engage positively with the GoR, not to be judgemental or expect rapid change, and to be flexible in their approach at a time when most aid was flowing to refugee camps outside Rwanda’s borders (c.f. Chapter 5).¹¹ This reflects the positive opinions expressed by a range of Rwandan politicians and government officials interviewed. The UK was described as “very supportive”, as “genuinely trying to help”, as having a real “will to cooperate”, and as recognising Rwanda’s determination to “do the right thing”.

Hence, while Belgium was going through a turbulent time in its relationship with Rwanda, the UK was engaging with limited regard for the qualms expressed by other donors about the direction the country was taking or the nature of the new regime.¹² The policy from 1995 was to engage strongly with the GoR, for whom there was a great deal of respect and in whom there was considerable trust. Although the UK programme has been strongly associated with the Secretary of State for International Development between 1997 and 2003, Clare Short, there was already a UK presence on the ground when she came to power. The former Minister for Overseas Development at the time, Lynda Chalker, had visited Rwanda in July and August 1994 and established a temporary one-person office to assist UK military personnel and NGOs. The decision to open an embassy in late 1995 was a sign that the UK

⁹ Certainly in the pre-1999 period, the Rwandan press did not hesitate to denounce Belgium’s harbouring of genocide suspects and opposition politicians, even within articles outlining new Belgian cooperation activities. See for example *La Nouvelle Relève*, No 345, 16-31 July 1997 and No 370, 30 October 1998. In contrast, articles relating to the UK are incredibly enthusiastic about British aid (*La Nouvelle Relève*, 30 April 1999), giving Clare Short front page headlines whenever she visited the country (*La Nouvelle Relève*, 30 April 1999 and 15 May 2000), and stressing the importance of the UK as a provider of direct support to the GoR (*New Times*, 24-26 November 2003).

¹⁰ Note that the UK was providing additional assistance through UN agencies, NGOs and the UN Trust Fund, as well as the World Bank and EC. It was also supporting the UN RT process itself with a project established in February 1995 to monitor disbursements, support thematic consultations, prepare future RTs and development budgets (UNDP/UNOPS 1997).

¹¹ Interviews: former UK Minister of Overseas Aid, 8 September 2004 (telephone); former Ambassador to Rwanda 1995-1998, 23 August 2004 (telephone); FCO official, 4 June 2004; former ODA/DFID official, 2 June 2004. Note, however, that Melvern and Williams (2004) claim that the UK government has used its record of support to post-genocide Rwanda as a way of deflecting criticism about its lack of action prior to and during the genocide.

¹² See Pottier (2003), particularly chapter 5, for a critique of the UK’s approach in its dealings with the GoR.

presence in Rwanda was to be permanent,¹³ although at the time there were no plans for a bilateral aid programme. When Short was appointed in June 1997, with a strong mandate for development cooperation, a Cabinet seat, an autonomous Department¹⁴ and an expanded budget, she re-affirmed the UK's commitment to Rwanda, visiting the country within three months of taking office.¹⁵ This commitment has expanded exponentially since. By 2003 DFID had a fully devolved office in Rwanda with a large number of programme and senior advisory staff on education, economics, governance, social development and livelihoods.

Officials involved in Britain's Rwanda programme in the early years accept how little knowledge the UK really had of the situation, speaking of 'enormous naivety' and 'complete ignorance', especially when Rwanda became engaged in Zaire in 1996. Although the UK Government did draft in academics and NGO analysts to help with understanding Rwanda, there was very little internal knowledge within government circles. Even the academic basis of knowledge on Rwanda and the Great Lakes was weak within UK universities at the time. Nonetheless, there appears to be a genuine belief that the UK did the right thing in placing faith in the new regime in Kigali. The sense of moral imperative comes through strongly from interviews with UK officials. As one informant said, other donors were drawing back when Rwanda needed their help most. This position was "morally inadequate" and the response of the UK was to make up for the loss.¹⁶ This viewpoint is reflected in the 2004 *Country Assistance Plan*:

The country's traditional donors and the new Government were unwilling to re-engage. The UK, through DFID, therefore committed itself to becoming Rwanda's major bilateral development partner. (DFID 2004c: 15)¹⁷

Much of this can be attributed to the very personal commitment of Short to Rwanda, without whom the programme would never have expanded as it did. Numerous people interviewed on the UK and Rwandan side spoke strongly about her

¹³ One British informant claimed that the opening of a UK embassy in Kigali was less to do with guilt than NGO pressure.

¹⁴ Prior to 1997, the UK's Overseas Development Administration (ODA) was part of the Ministry of Foreign Affairs, with limited autonomy. International Development climbed significantly up the political agenda with the election of the Labour government in 1997, and was no longer subjugated to foreign policy and commercial interests as had been the case more or less between 1979 and 1997. The establishment of DFID also brought changes in management of aid money – greater decentralisation to expanded country offices, more in-house capacity for research and analysis, greater transparency, and frequent public consultation exercises.

¹⁵ According to Short's biography, her first visit was in 1998 (Short 2004:86); however, her first official visit took place in October 1997 (DFID Press Release, 9 October 1997; IRIN Update 167, 10 October 1997).

¹⁶ Intervention by DFID official, presentation of preliminary research findings, London 10 November 2004.

¹⁷ This sentence was revised from earlier drafts: "For political reasons related to its recent history, the Government of Rwanda was not willing to re-engage with its traditional bilateral development partners – France and Belgium" (February 2003), changed to "For political reasons related to recent history, Rwanda's traditional bilateral development partners, France and Belgium, were unwilling to re-engage with the new Government" (May 2003). There is no explanation of why traditional donors were not engaging, and there is no analysis of other reasons why donors may not be so enthusiastic about the new GoR. Rather, the UK is taking the lead in recognising Rwanda's need for "wide-ranging, substantial and predictable support", and "the commitment of the new Government to national reconciliation and poverty reduction for all Rwandans" (DFID 2004c: 15).

deep personal attachment to Rwanda. Short was shocked at the limited direct support the new regime was receiving from other donor agencies; she took the stance that the UK should champion the GoR as no-one else was prepared to do it, and she had a strong belief in the RPF. However, the role of individual personalities over this period was not just limited to Clare Short. A common thread running through interviews undertaken with nearly all officials involved in the Rwandan programme over the 1994-1999 period is a strong personal commitment, with several officials talking highly of their experiences. Time spent in Rwanda was described as “weird and wonderful”, “really interesting and very challenging”, “very interesting”, “rewarding” and “exciting”. Some said it had been the best placement they had had. Several have retained close ties with Rwanda, visiting regularly or becoming involved in voluntary organisations supporting the country. It is interesting that officials posted to Rwanda after 1999 do not appear to share the same sort of emotional attachment. On the other hand, Short’s very positive position on Rwanda provided little space for criticism of the programme by DFID staff. Former officials mentioned leaving the service over frustration caused by Short’s unwillingness to accept criticisms of the GoR, particularly with regard to the DRC.

The role of individuals has been just as important on the Belgian side, although this was brought up in a less explicit fashion. Rwanda is a top posting for Belgian officials and technical assistants, with many having worked in the Great Lakes region for much of their careers. This contrasts sharply with the UK where up to very recently, Rwanda was something of a posting for junior officials, the office often staffed by young people starting their careers.¹⁸ A few Belgian ministers have been very influential. Over the ten year period in question, Belgium has had five different ministers of development cooperation. Of particular importance was Reginald Moreels from 1995-1999, who set in motion an in-depth reform of Belgian development cooperation. Coming from an NGO background, Moreels was heavily in favour of projects and results-oriented aid. However, the Moreels reform only started to be implemented under the subsequent government; it was considered a constraint and was widely criticised. Scrapping the reform, however, was deemed more harmful.¹⁹

The nature of the Belgian political system, with the tendency for coalition governments, has also influenced relations with Rwanda, with differences in political and ideological positions often evident between the Cooperation and Foreign ministers. For example, under the 1995-1999 administration, Moreels (Christian Democrat) was often at odds with Foreign Minister Erik Derycke (Socialist), notably over relations with Zaire (Debar *et al.* 1999; Verwimp and Vanheusden 2003); under the 1999-2003 administration, Cooperation Minister Eddy Boutmans (Flemish Green) had a different perspective to Foreign Minister Louis Michel (Francophone Liberal).²⁰ This has led to some tensions between ministers, not only over priorities but also over responsibilities, autonomy and budgets. Development Cooperation

¹⁸ The demographics of aid workers in Rwanda is interesting in this respect. Many of the Belgian (as well as French and German officials) are older, contrasting with younger Anglophones amongst the ‘new’ donors and NGOs. By 2005, however, older DFID staff were being appointed to the Kigali office.

¹⁹ Interview with Eddy Boutmans, Belgian Secretary of State for Development Cooperation 1999-2003.

²⁰ Since 2003 both ministers have been Liberals and the Liberal influence is evident in the overall aid programme with a stronger role being advocated for the private sector in development cooperation.

officially comes under the remit of the Ministry of Foreign Affairs, but as it has its own minister it has considerable autonomy and a larger budget. During the 1999-2003 legislature, when Foreign Minister Michel (who became European Commissioner for Development Cooperation in 2004) made Central Africa a priority, he sought to enhance the Foreign Ministry's role through an expanded budget for conflict resolution activities. At the same time, however, there have been attempts to enhance coherence across departments over the Great Lakes, with regular meetings between the ministries of Foreign Affairs, Development Cooperation and Defence.²¹

The differences in opinions within the Belgian administration reflect a broader story. Very different viewpoints about the Rwandan regime are expressed within political, civil society and academic circles, often split along political and social lines.²² For example, in the pre-genocide period there was seen to be a division between Francophone academics who were more supportive of the Tutsi and Flemish academics more supportive of the Hutu. Some practitioners in the field felt that this had become an enduring stereotype which they were struggling to shake off.²³ Although there is a new generation of Belgians working on Rwanda with few links to the pre-genocide era, there are a great many practitioners and academics who have a long history in the country and region which impacts upon their personal perspectives. The Rwandan government, for its part, can be incredibly hostile towards Belgian academics, particularly those who are heavily critical of it. For example, a long-running battle has been going on between the GoR and Filip Reyntjens of the University of Antwerp, an outspoken critic of the RPF government. The GoR has also been hostile to particular Belgian NGOs in the past (a number of whom were expelled from Rwanda in the 'purge' of 1995 mentioned in chapter 4) but also more recently vis-à-vis some Belgian NGOs active in human rights work. More recently, academics seem to be fairly united in their opposition to the GoR, although divides are still evident.²⁴ There are also splits between those involved in

²¹ There was an inverse situation in Germany at the time of this research where the Minister of Foreign Affairs was Green and a junior partner and where the Minister of Development Cooperation was a Socialist heavy-weight. On the whole cooperation between them was fine, but they did have differences over the Rwandan occupation of the DRC, and how to react in tune with political and developmental goals. The Minister of Development Cooperation saw the occupation in terms of recovery from genocide (i.e. giving Rwanda leeway for security), but the Foreign Minister was focused on the geo-political/diplomatic side and the primacy of that before development goals. Things improved with the withdrawal of Rwandan troops in 2002. (Interview with representative of German Development Cooperation, 30 September 2003)

²² Belgium is made up of three linguistic and cultural communities (Flemish, Walloon/Francophone, and German-speaking). These divisions run through political and social life, leading to complex federal institutions as well as political parties split along Francophone and Flemish lines; NGOs, civil society organisations and government-funded bodies follow a similar pattern. There have been profound tensions between the Flemish and French-speaking communities in the past, the Flemish population having been repressed under Walloon political control until the middle of the 20th Century. This has left lasting scars on the national identity. This is of relevance to relations with Rwanda as for some analysts the Belgian struggle for its national identity was transferred to Rwanda soil. Flemish missionaries took the side of the repressed Hutu during the colonial period, helping to develop the Hutu ideological position vis-à-vis the Tutsi as independence approached (see Prunier 2002).

²³ This was reiterated by the Rwandan Ambassador to Belgium (interview, Brussels, 2 November 2004).

²⁴ See for example the exchanges between Reyntjens and Goyvaerts in the journal *African Affairs* (Reyntjens 1999b).

technical cooperation activities who are keen to keep the politics out and take a long-term view of Rwandan development and who recommend support of the current process in Rwanda; and the more politicised critics who see renewed conflict in Rwanda as imminent and are pushing for more political sanctions. Consequently, it is possible to discern two tendencies in Belgian thinking on Rwanda. On the one hand, there are those who seem to be emerging from the distrust of the 1995-1999 period. These actors are looking to build a more constructive relationship with the GoR, which is considered to deserve support to set it on the right path to stability and change. This group is largely comprised of technicians, bureaucrats and diplomats. On the other hand, there are those who see things as deteriorating in Rwanda under an authoritarian regime, particularly amongst politicians, academics and civil society (11.11.11 2003; Reyntjens 2004). Yet, even the latter are caught between the desire to disengage entirely and to continue engaging in order to retain their potential capacity to influence events through Rwandan civil society.²⁵

In addition, Belgium is home to large numbers of people of Central African origin. Amongst the Rwandan diaspora, very different political views can be observed (see ICG 2002; Rafti 2004). Although Belgium has been a focal point for opposition groups in exile, there are also groups supportive of the Kagame regime. The Belgian administration has sought to engage with the diaspora, but it is considered to be very divided and lacking in a clear agenda which the Belgian government can support.²⁶

In contrast, there were few really critical voices amongst UK actors over Rwanda. Across the UK political spectrum, those politicians interested in Rwandan affairs seem to share a common perspective. Several members of parliament have visited Rwanda since 1997, and have been supportive of DFID's approach to assisting Rwanda's recovery from the genocide, which appears to be the primary point of reference for most politicians.²⁷ In terms of coherence with the Foreign and Commonwealth Office (FCO) there are mixed views. The line from officials is that the two departments are working well together, with secondment of staff between the FCO and DFID and close working relations in London and the field. More objective analyses imply less harmonious relations. Short herself recalls that

From the beginning, the climate across Whitehall was hostile... Africa came low down the list of Foreign Office priorities but they certainly did not want DfID poking its nose in. (Short 2004: 78-79)

This was particularly the case following the establishment of DFID in 1997, with Clare Short taking quite a political stance on development aid, thereby stepping into FCO territory (Williams 2004b; Porteous 2005).²⁸ Interestingly, before 1997 it was

²⁵ Interviews, Belgian NGO 11.11.11, Brussels 19 June 2003 and 22 January 2004.

²⁶ Interview, Belgian Ministry of Foreign Affairs, 13 June 2003 and 5 November 2004.

²⁷ In 1998 the All Party Parliamentary Group on the Great Lakes and Genocide was established, bringing together MPs as well as interested NGO actors and members of the public. This Group organised two visits to the Great Lakes Region, holds talks and seminars, and has published a number of reports. See <http://www.appggreatlakes.org/cgi-bin/site/index.cgi>

²⁸ Britain's foreign policy on Africa over the last 10 years, and notably since 1997, is contested in the literature. For Williams (2004a) there has been continuity marked by inconsistency between the poverty-focused, humanitarian agenda and strategic interests. Porteous (2005), on the other hand, sees the emergence of a clear Africa agenda. Since 2004, the prominent voices on Africa within the UK government have been more focused around Prime Minister Tony Blair and Chancellor Gordon Brown than the Secretary of State for International Development Hilary Benn. 2005 saw Africa climb

the FCO which was more in favour of engaging in Rwanda while the ODA/DFID was not.²⁹ This situation was reversed from 1997. There have been no senior FCO official visits to Rwanda since this time and FCO officials appear to be advocating a more cautious approach.

It is only more recently, particularly since about 2002 and the publication of reports into the illegal exploitation of resources and human rights abuses in the eastern DRC implicating the Rwandan army and in the run-up to the Rwandan elections, that more critical questions have been raised about Rwanda's intentions in the Great Lakes region within the UK Parliament.³⁰ Among the British NGO community a similar pattern can be observed, with a largely positive position in the first years, giving way to more critical reflections since about 2000, but with fairly consistent views across the community. NGOs are concerned about human rights abuses, and what they saw as blind faith in the GoR under Clare Short. Despite public consultation exercises on policies, there is a sense amongst NGOs active in Rwanda, based in the UK and in Rwanda, that their voices were not being taken into account. At a consultation meeting in June 2003 on DFID's draft Country Assistance Strategy for Rwanda, the response of civil servants to NGO concerns was that the GoR was misunderstood and just not very good at getting its message across.³¹ This reflected the general hostility of Clare Short towards NGOs. This position was also evident in the lack of an official relationship between UK NGOs and DFID in the field, with DFID reluctant to listen to alternative viewpoints. The main criticism from NGOs was that the UK was too focused on its good relations with the GoR and was not bringing its influence to bear on the GoR. The UK government response was that it could not give precedence to NGO 'speculation' and 'rumour' over its official partner without hard evidence. It stressed the importance of behind the scenes political dialogue.

However, the position of the UK does appear to be changing. After many years of very positive engagement under Clare Short, a slight shift in the UK's stance can be observed. Since the appointment of a new Secretary of State in 2003, the UK has shown more readiness to apply political conditions to aid to Rwanda, as we shall see below. Various reasons can be advanced for this shift, including different personalities and staff without such an emotional attachment to the country, a reduction in the GoR's 'genocide credit', and accumulated years of knowledge by the UK government about the Great Lakes region leading to a different base from which to assess the situation.

Interestingly, as the UK demonstrates more caution in its approach towards Rwanda, in Belgium the critical voices seem to be losing their influence over the policy process. The Belgian government's increasingly positive approach to Rwanda runs counter to the academic and NGO lobbyists who continue to voice concerns. Since the 1998 war with the DRC, there has been more overt criticism about Rwanda

the political agenda considerably in light of the UK's Presidency of the G8 and the European Union, the Commission for Africa and the UN Global Summit. Brown's development financing initiatives have however come under attack for failing to analyse the root causes of underdevelopment (see for example Taylor 2005a).

²⁹ Interviews: FCO official, London, 4 June 2004; former DFID official, 2 June 2004.

³⁰ Parliamentary questions and debates, various years (See <http://www.publications.parliament.uk/pa/cm/cmhansrd.htm>)

³¹ Observations, Consultation meeting on the Rwanda Country Assistance Strategy, DfID London, 30 June 2003.

amongst civil society in Belgium (Entraide et Fraternité, Broederlijk Delen and Wereldsolidariteit 2000); there was a parliamentary enquiry into mineral exploitation in the DRC (Sénat de Belgique 2003); questions have been raised about the opening of political space in Rwanda, with Belgian NGOs demanding that more conditions be applied to Belgian aid; and people who were once considered rather favourable to the new Kigali regime have grown more critical.³² Although there have been some tense words between Brussels and Kigali over these issues,³³ on the whole the signs from the Belgian government are of increasing warmth towards Kigali. This was demonstrated most clearly shortly after the Rwandan elections in 2003 when the Foreign and Development Cooperation Ministers visited Rwanda and praised the conduct of the elections, as we saw in chapter 5. This was interpreted by the Rwandan ambassador to Belgium as a realisation on the part of the Belgian government that it had been mistaken in its early analysis of the GoR and as a reaffirmation of the trend towards a positive engagement which began with Verhofstadt's apology.³⁴

Development Cooperation and Foreign Policy: policies and practice

Despite tensions with Rwanda at the diplomatic level since 1994, Belgium has never stopped providing aid. Even when relations were at their worst in the immediate post-genocide years, aid still flowed. A number of pre-genocide projects were resumed, for example in agriculture and health, where very long-standing cooperation relationships exist; and new ones were initiated, notably in the justice sector. Programme aid, such as the balance of payments support provided pre-genocide, was not resumed, although remaining funds under this category were shifted to other lines. This reflected a political decision not to engage too closely with the GoR but to focus instead on a few key sectors. At the same time, much of the continuity in activity can be attributed to individual staff.³⁵ The head of Belgian cooperation programmes in Rwanda prior to the genocide returned as soon as possible after the genocide, describing how he sought to pick up the pieces of Belgian projects in the aftermath with very limited resources. For the initial period, much of this activity was relatively informal, relying on personal networks, and included quite close relations with senior GoR civil servants despite the tense official relations between the two countries. Belgian aid workers were providing logistical support to the highest authorities in the country, support which was not being refused.³⁶

³² See for example the recent book by Colette Braeckman on the DRC, a journalist who has grown increasingly critical of the GoR (Braeckman 2003).

³³ See for example 'Tension entre Bruxelles et Kigali' [Tensions between Brussels and Kigali], Rossel et Cie SA, *Le Soir* en ligne, Bruxelles, 2002.

³⁴ Interview, Rwandan Ambassador to Belgium, Brussels, 2 November 2004.

³⁵ The fact that the same cooperation minister was in place in Rwanda before and after the genocide may also have played a role. Belgium was negotiating projects in 1993, preparing for the end of the war and the installation of a new coalition government under the Arusha Accords (AGCD 1994). Officials talked of literally crossing the battle lines to discuss projects with the RPF who were set to take over particular portfolios, such as health.

³⁶ Interviews, DGCD desk officer for Rwanda, Brussels, 3 June 2003 and 22 January 2004.

However, the resumption of aid was also about the importance of Rwanda to Belgium. Rwanda, along with Burundi and particularly the DRC, represents a cornerstone of Belgian foreign and cooperation policy, as we saw in chapter 3. After a period of relative disengagement from Africa during which time a policy of '*Afrique aux Africains*' (let Africans sort out Africa's problems) was pursued under the guise of expanding ownership,³⁷ with the change of government in 1999, Central Africa was once again re-affirmed as a priority for Belgian foreign relations. The Great Lakes is seen as the one area in the world, beyond the European Union, where a small country like Belgium is able to have any influence on the international stage.³⁸ Additional administrative arrangements were made to reflect this renewed prioritisation, with a Great Lakes analyst appointed to DGCD, a Great Lakes desk created in the Ministry of Foreign Affairs, and a Great Lakes special ambassador appointed in 1996 and again in 2002.

For the UK, Rwanda does not represent any strategic importance, although it has risen up the list of main recipients of UK aid to around 10th since 2000, being one of only a few non-traditional countries to receive a steady increase in support.³⁹ The rationale for the programme has remained largely unchanged since 1997 combining genocide-related guilt, the UK's comparative advantage and the achievement of global poverty goals:

Our engagement with Rwanda acknowledges the country's traumatic past, its continuing severe needs, the potential for instability in Rwanda to spread beyond its borders, and the Government's strong commitment to poverty reduction and democratic governance. We must also remember that the UK is now Rwanda's major bilateral development partner and its most consistent ally in international negotiations. (DFID 2004c: 17)

Although it has no specific Great Lakes regional policy, the UK is taking a greater interest in regional affairs since about 2002. There has been a growing awareness within the UK parliament and the government that Rwanda cannot be treated in isolation either developmentally or politically; moreover, the argument has been put forward that DFID cannot seriously be concerned with poverty reduction while ignoring the DRC. Consequently, the UK is becoming increasingly engaged in Burundi and the DRC, as well as acting as a mediator in relations between Rwanda and Uganda. Country Engagement Plans have been developed for Burundi and the DRC (although these remain unpublished); the UK was the largest donor to election preparations in the DRC in 2005; and in late October 2005 the Secretary of State for International Development, Hilary Benn, made a visit to the region, stressing how "[p]eace and stability have been the building blocks for recent progress" in these three countries.⁴⁰ This demonstrates how the UK's strategy has moved beyond a

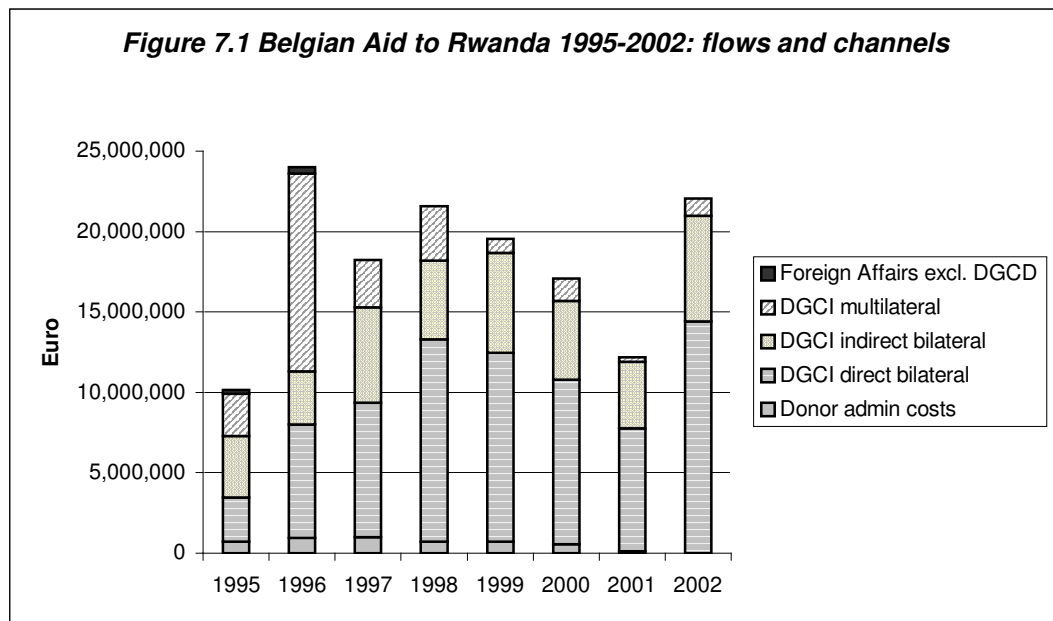
³⁷ Interview with Louis Michel, *La Nouvelle Relève*, 31 August 1999.

³⁸ Belgian ministers have tended to stress how limited Belgium's influence in world affairs is; however, through its colonisation of the Congo, Belgium was a powerful force in shaping modern Central Africa (Clément and Roosens 2000).

³⁹ Between 1997 and 2006 (projected), a number of sub-Saharan African countries saw a significant rise in budget allocations, e.g. doubling for Ghana and Mozambique, rising by a third for Tanzania and Uganda. The most dramatic increases have been for Nigeria (from £9.3m to £35m), Sierra Leone (from £3.1m to £40m) and for Rwanda (from £6.2m to £47m) (DFID 2002a, 2002b, 2004d, 2005b).

⁴⁰ 'Hilary Benn, Secretary of State for International Development to visit Rwanda, Burundi and Democratic Republic of Congo', DFID press release, 30 October 2005. On support to the DRC elections, see EURAC 'Great Lakes Echoes' N°12, September 2005.

specific humanitarian response to the genocide to a political engagement in a conflict-torn, extremely poor area of Africa.



Source: DGCD statistics department (2004)

Figure 7.1 provides an overview of Belgian aid to Rwanda over the period under study.⁴¹ As illustrated, aid flows declined from 1998 to 2001, picking up again from 2002. While this can be attributed partly to the political qualms outlined above, aid flows were also affected by the reform of Belgian development cooperation. This followed a parliamentary enquiry into the effectiveness of Belgian cooperation in 1996-97, which recommended its modernisation to improve predictability, quality and efficiency through a concentration on fewer countries and sectors (DGCI 2000b; OECD-DAC 2001a: II-17-18). What subsequently became known as the ‘Moreels Reform’, after the Minister in charge of overseeing it, saw an upheaval in the management of aid, with the separate Ministry of Development Cooperation becoming a semi-autonomous entity under the Ministry of Foreign Affairs, although with its own Secretary of State. The reform was set down in the Law on International Cooperation adopted in 1999. Belgian Technical Cooperation (BTC) was also established, an autonomous management agency contracted by the Ministry of Development Cooperation to oversee all bilateral aid projects. The project approach was to be favoured. It was portrayed at the time as allowing Belgian cooperation to move from a paternalistic approach to a relationship based on partnership.⁴² However, later analyses have labelled it chaotic and disruptive. It took until 2000 for

⁴¹ Note that these figures were provided by DGCD and differ from those given in chapter 3 for which the source is the OECD-DAC.

⁴² See *La Nouvelle Relève*, 16-31 July 1997 ‘Belgium-Rwanda: from paternalism to co-management.’ This multi-page spread in the Rwandan press coincided with a visit of Minister Moreels to the region, outlining the new programme for cooperation. This article demonstrates that the atmosphere of distrust between Belgium and Rwanda still existed, however, with Moreels refuting alleged comments he had made about the Rwanda government and its activities in the Congo. On this latter point see Verwimp and Vanheusden (2003).

BTC to be fully operational, leading to a backlog in projects and fund disbursement. Minor adjustments continue to be made, such as the renaming of the Directorate-General of International Cooperation (DGCI) to the Directorate-General for Development Cooperation (DGCD) and the Secretary of State becoming a Minister in 2003.⁴³

The impact of this reform, coupled with political factors, was that no new programme was formulated for Rwanda until 2002, explaining to some extent the continuity in projects and activities after 1994 as no new directives were coming from Brussels.⁴⁴ The first official, bilateral partnership talks in 15 years were held in 2004 where a new Convention was signed, promising additional assistance to Rwanda.

The major difference between Belgian and UK aid in Rwanda relates to the instruments employed and the way in which aid is delivered. Belgium provides aid through a variety of channels, as figure 7.1 shows. The main channel is direct bilateral assistance, which flows from DGCD to the Rwandan government via BTC. Indirect bilateral assistance is delivered through Belgium's regional bodies,⁴⁵ Flemish and Francophone NGOs and university cooperation organisations. Multilateral aid flows through a variety of international bodies. One of the main complications with this rather disparate system is that the regional bodies are not tied by the 1999 Law on International Cooperation, so are therefore free to pursue their own objectives and strategies. For example, promotion of Francophone culture is a central objective of Francophone cooperation; Flemish cooperation works more with countries like South Africa. Demands for greater devolution of development assistance to regional bodies has raised concerns about the effectiveness of Belgian aid within DGCD and the OECD-DAC (OECD-DAC 2001a: II-21-22). During fieldwork in Belgium in June 2003, this devolution process – known as *déféderalisation* – was the main topic of debate amongst aid officials, many of whom considered it a step backwards in cooperation effectiveness. Elections had just taken place in Belgium and the government was in flux. Devolution is a highly political issue in Belgium, arising frequently around election times. The debate seems to have died down since. Although the *Note Politique* of 2003 mentions that some resources will be devolved, the government is keen to ensure coherence by encouraging other entities to follow the lead of DGCD.

This study focuses primarily on direct bilateral assistance delivered in project form through BTC under the co-management system adopted in the early 1990s. Although it relies on projects, co-management ensures that these do not bypass government systems, but rather are closely negotiated with the relevant authorities or ministries. Surprisingly perhaps, it is appreciated by GoR officials for its transparency and flexibility as the system allows problems to be identified and dealt with early. At the same time it is labour-intensive with regular partnership committee meetings requiring the presence of the relevant line ministry Secretary General, the

⁴³ In the UK a Secretary of State is more senior than a Minister; the opposite is the case in Belgium.

⁴⁴ Interviews with head of Belgian development cooperation, Kigali, 13 October 2003, 8 December 2003, 16 April 2004.

⁴⁵ Both the Francophone and Flemish communities have international relations departments and associated project execution agencies. In Rwanda, the most important of these are the Association for the Promotion of Education and Training Abroad (APEFE) and the Flemish Association for Development Cooperation and Technical Assistance (VVOB).

Belgian cooperation attaché, both project managers, a representative of CEPEX and a representative of BTC. The system is administratively burdensome with frequent delays between project identification and implementation. This seems to have affected institutional support projects in the ministries of health and finance in particular, where by the actual start of the project the requirements and conditions on the ground had changed. For some within the GoR, the approach allows a strong degree of Rwandan ownership and a close working partnership, while ensuring Belgian accountability for funds. One official described Belgium as the “most organised” donor she was working with, mentioning that CEPEX “was involved in every step” and that it was “a good system”.⁴⁶ Another official, however, described it as “paternalistic.”⁴⁷ Despite this close negotiation of projects, however, there are questions about whose priorities truly prevail. Some projects seem to have been more or less forced on the GoR at first, for example technical assistance to the Ministry of Finance, but in others Rwandan priorities have prevailed. This was the case in the negotiation of support to the education sector where Belgium wanted to support primary education and the GoR wanted it to support secondary. The compromise reached was that Belgium would support lower secondary education.

After the genocide Belgian aid was concentrated on a few sectors: health and rural development, where Belgium has been active for 40 years in Rwanda; governance, largely in human rights and civil society support through NGOs; justice, considered in the aftermath of the genocide to be a crucial area for engagement to support the reconciliation process;⁴⁸ and support to economic planning. Education and training projects are carried out mainly by VVOB and APEFE. It has more recently started bilateral projects within the Ministry of Education, and under the new programme signed in 2004 is planning considerable support to rural development.

The UK, on the other hand, provides nearly all of its assistance as general budget support, considered as having “the greatest impact on poverty” (DFID 2004c: 15). This is particularly appreciated by the GoR, which sees the UK as providing it with the chance to have ‘ownership’ of its development programmes, as listening to the GoR’s priorities rather than imposing its own, as helping to bring other donors on board this type of agenda – effectively as an example of a real partnership.⁴⁹ Although initially provided to support the cash-strapped regime in the late 1990s, the UK’s provision of budget support is now specifically linked to the promotion of the PRSP (DFID 2004b). In Rwanda, the UK takes its

assurance from Government’s commitment to reducing poverty, from progress in aligning the budget with PRS priorities, and from improvements in certain aspects of public expenditure management. (DFID 2004c: 17)

⁴⁶ Interview, CEPEX desk officer, CEPEX, Ministry of Finance, 3 November 2003.

⁴⁷ Interview, Rwandan Member of Parliament, 31 October 2003.

⁴⁸ Belgian support for the justice sector captures the guilt and shock response to the genocide, a way of dealing with direct consequences through a range of measures including support to the Ministry of Justice in classic justice and *gacaca*, and via NGOs working on governance, human rights and support to survivors. This is an area where Belgium considers itself willing to ‘take a risk’ (Interview, DGCD official, Brussels, 20 January 2004).

⁴⁹ Interview, Rwandan Ambassador to UK, London, 30 July 2003.

Indeed, DFID has been something of a champion of the PRSP in Rwanda, having strongly backed the preparation of the interim PRSP by supporting the Strategic Planning and Poverty Monitoring Department of the Ministry of Finance.⁵⁰

This provision of institutional support in parallel to budget support is characteristic of the UK programme. Strengthening the capacity of the Ministry of Finance has been a core element of the UK's approach in Rwanda, not only supporting the SPPMD, but also the establishment of the Rwanda Revenue Authority and the use of the Medium-Term Expenditure Framework (MTEF) for public financing. The provision of short and long-term technical assistants has aimed at strengthening institutional governance and accountability. A similar approach has been taken in the Ministry of Education, where large amounts of support have been earmarked for institutional strengthening and the implementation of a SWAp. However, the UK's approach raises two important questions. Firstly, having decided to provide budget support in Rwanda, it would appear that the UK has also had to provide additional assistance to ensure that the various mechanisms required to guarantee good use of resources are in place. Although the approach in Rwanda has been seen as innovative and brave by a number of UK officials, there has also been scepticism about it within UK government circles.⁵¹ Secondly, it is clear that the UK has been pushing particular instruments, by bolstering the PRSP process and advocating the introduction of SWAp and the MTEF. In the 2004 Country Assistance Plan (CAP), the UK admits that the PRSP, MTEF and SWAp are not evenly prioritised across government ministries. It therefore takes on the task of promoting this approach throughout the GoR: "DFID will continue to encourage all government agencies and all development partners to work within the PRS". Risks to the implementation of the PRSP are seen to be a lack of capacity and the fact that "the PRS is not accepted by all parts of the Government as the overarching policy framework" (DFID 2004c: 20). Although the final PRSP is generally considered to have been more 'owned' than earlier versions, this situation raises interesting questions about Rwandan 'ownership' of the PRSP process, beyond core ministries and key senior officials.

The UK engagement in Rwanda provides a clear example of how a country programme can be profoundly affected by particular changes in government. We have seen above how the change in government in Belgium in 1999 permitted an improvement in relations with the GoR, with the election of a government untainted by the associations of the past, and headed by a politician who had instigated the parliamentary inquiry and who came to Rwanda to apologise. Although this did not represent a completely clean slate, it certainly indicated a warming in temperature. The extent of the UK's Rwanda programme today has been directly determined by the change in UK government in 1997. As already noted, international development leapt up the political agenda at this time and, more specifically for Rwanda, 1997 saw the arrival of a Secretary of State who became deeply attached to Rwanda on a personal level.

However, Rwanda also presented an opportunity for the incoming Secretary of State to engage in a new country where a difference could really be made, using the

⁵⁰ Interviews: DFID officials, London 30 July 2003; former ODI fellow, London, 28 July 2003. The UNDP and the World Bank have also been strong players in the PRSP process in Rwanda.

⁵¹ Interviews: former UK ambassadors to Rwanda, Kigali 1 December 2003, telephone 23 August 2004; former DFID official, 2 June 2004.

new approach advocated by DFID – concentrating on poverty reduction and using new instruments such as programme aid – which did not require former project and management systems to be dismantled first.⁵² It is, however, somewhat erroneous to talk about DFID’s approach as so ‘new’. Prior to 1997 a number of initiatives were set in motion which were built on by DFID, including the untying of aid, poverty reduction, programme aid, as well as the governance agenda bringing in political conditionality after 1990 (Healey 1996; Cumming 2001). Healey also notes how in the early 1990s programme aid was shifting towards budget support, with a stress on improved public expenditure management and accountability, with some specific sectoral programme aid and close links with IFIs. This also reflects European Commission thinking at the time. So there are strong similarities with the DFID approach, although a key difference is DFID’s more long-term perspective. Hence, although serious changes were wrought, the agenda was not as completely overhauled as is sometimes implied. At the same time, Clare Short had sufficient political authority to take a risk on Rwanda, and pushed her staff to come up with a plan for Rwanda, against the judgement of some civil servants who were concerned about DFID’s lack of knowledge in the region, the lack of French-speaking staff and the poor understanding of Rwanda’s institutional systems. It was considered a high risk venture administratively, politically and financially.⁵³ Nevertheless, the risk was justified on the grounds that conflict may have flared up again unless a donor like UK took a positive approach to GoR.⁵⁴

Given this, the strategy adopted by the UK was to support an IFI lead for a coordinated, large-scale aid effort, with long-term financial commitments to the GoR budget provided that the GoR met particular benchmarks with regard to social services and financial management. This was a policy which made sense in 1997, given that the UK lacked the networks, the staff and the capacity to establish large scale projects. Moreover, close collaboration with the IFIs allowed the UK to use the IFI budget analysis to ensure good use of resources, given that the Enhanced Structural Adjustment Facility (ESAF) ensured the budget would be open to scrutiny. To some extent, this close linkage of the UK programme with the ESAF, working almost exclusively with the central Rwandan government, explains the UK’s promotion of partnership talks to mobilise similar support from other donors (see chapter 5). Rwanda was something of a test case for IFI post-conflict strategies (World Bank 1998; DFID 1999: 1), and likewise it became a test case and a model for the UK’s new aid approach. In interviews, a number of DFID officials referred to the Rwandan programme as a ‘model’, a ‘test case’, a ‘ground-breaking exercise’, ‘innovative’, ‘pioneering’, with the UK working on a ‘blank sheet’, even as a ‘good prototype’ for the budget support approach.

In working almost exclusively with central government ministries – and largely those where senior staff were Anglophone rather than Francophone⁵⁵ – the UK has

⁵² For an interesting study of how the shift in UK approach from projects to programme aid affected existing projects and processes, see Mosse (2005), especially chapter 8.

⁵³ Interview, former DFID official, London, 2 June 2004.

⁵⁴ Interviews: former ODI fellow, 28 July 2003; DFID official, London, 30 July 2003.

⁵⁵ Unlike most African countries, Rwanda has the advantage of one dominant language – *Kinyarwanda*, spoken by almost 100% of the population. This is the first language of business, including within the administration. However, in interactions with the international community two languages prevail – English and French. Many of the ruling elite in Rwanda speak English, having been raised in English-speaking countries of Eastern Africa. Although English has become an official

received criticism about its lack of engagement with non-state actors or with actors outside the capital. This has been seen as diminishing its access to alternative perspectives.⁵⁶ Although DFID in Rwanda has demonstrated signs of seeking to engage more with civil society, occasionally producing proposals to work more with non-state actors, there has been limited realisation of this to date. The preference to concentrate on government actors, and a specific group of people amongst these, was evident from the start of the programme. Initial attempts to engage with Rwandan civil society were limited to 'influential' groups in the scheme of power, largely Tutsi organisations linked into the establishment. A former UK Ambassador to Rwanda was very clear that it was scarcely worth engaging with others who did not have sufficient influence.⁵⁷ As a consequence, the networks necessary to expand the UK's knowledge of deeper Rwandan political and social processes are weak. Around 15% of Belgian aid to Rwanda, in contrast, flows through international and increasingly through Rwandan NGOs. Moreover, the Belgian Embassy in Rwanda holds regular meetings with these groups to keep track of activities and exchange information, and has a sizeable number of technical assistants in the field.

As the international agenda swings increasingly towards concepts of coordination and programme aid, the Belgian government is considering a shift away from projects. In the *Note Politique* of October 2003, Belgium placed the possibility of sectoral and budgetary support onto the agenda (GoB 2003: 14). However, the use of this mechanism in Rwanda has been hampered by continuing political caution, despite Belgium consistently reaffirming its desire to engage in Rwanda. The *Note* observes that budget support will not be adopted in crisis countries and will depend upon the existence of constructive dialogue and adequate institutional capacity (*idem*). Rwanda's weak institutional framework for ensuring accountability has been the most public reason for not providing budget support to Rwanda, but behind this lies more political debates, lingering doubts about the nature of the RPF regime and political pressure exerted on the Belgian government from groups hostile to the GoR.

Differences in opinion within the Belgian administration about this instrument are also evident, in Belgium and in Rwanda. Although budget support is used in countries such as Mozambique where Belgium is part of a large consortium of donors providing budget support, and sectorally for salaries in Niger and Burundi, it is not widespread and the project mentality seems dominant amongst officials. In interviews, several officials said they were strongly opposed to budget support in Rwanda. This was particularly the case while the Congo conflict was ongoing, with

language of Rwanda, it is not widely spoken. Even French is not widely spoken outside urban areas, in a country largely considered to be Francophone. Research in 1996 put the number of English speakers at 1.3% and French speakers at 5.3% (reported in E. Williams 2003). There has been some speculation about Anglophone (largely American) plots to expand influence in the Great Lakes Region (see Huliaras 1998; Chossudovsky 2003), and a number of Francophone informants did raise the question in interviews about this. Although there is no space to explore this issue in any depth here, the expansion of the use of English in the administration and education system is very interesting. At the same time, we should be wary of reading too much into this. Many of my Rwandan English-speaking informants were trying to learn French and vice versa, trilingualism is being promoted, and President Kagame participated in the Franco-African summit for the first time in November 2004, reaffirming Rwanda's place within *La Francophonie*.

⁵⁶ Much of this criticism comes from NGOs and is a very important issue which cannot be dealt with here. At the same time, it should be borne in mind that NGOs have a vested interest in donors working with non-state actors (see Randel and German 1999).

⁵⁷ Interview, former UK ambassador to Rwanda, Kigali, 1 December 2003.

concerns about the diversion of resources to military ends. Nevertheless, there is also recognition that Belgium will have to go this way if it wants to ‘catch-up’ with other donors (GoB 2003: 14) and by 2004 substantial internal reflection was happening within DGCD and BTC on this. A complication to the adoption of budget support as an instrument was the recent creation of BTC, which is essentially a project management agency, representing the technocratic project approach. BTC has, however, been very active in analysing how it can get on board the sectoral and budget support agenda and carve a role for itself within such a system.⁵⁸ Another area of reflection is the different sort of political relationship with the GoR required under a budget support approach. This would focus on more central government authorities rather than line ministries where the project approach concentrates. At the same time, Belgium has approved a large new budget for Rwanda. Absorption capacity for projects is already problematic and budget or sector support is seen by some as the only possible way of shifting such large amounts of money. As noted in chapter 3, Belgium is not alone in its concerns about the provision of budget support to Rwanda for technical and political reasons. In interviews undertaken in 2003, informants felt that budget support would never be approved for Rwanda and there were strong criticisms of the UK approach. However, by the second half of 2004, informants were considering that the shift to sector or budget support was more or less inevitable.

Policy Dialogue and Conditionality

The UK’s engagement with Rwanda in such a substantial way, on the back of limited experience and knowledge, did however call for new accountability instruments. As we have seen, the provision of budget support to Rwanda represented a shift in UK thinking on aid. The lack of existing projects and networks allowed the UK to establish a new kind of relationship with the GoR, one which was based on mutual trust. The sort of trust generally required for the provision of budget support is expected to emerge from a long-standing relationship between a donor and recipient country, as we saw in chapter 2. The UK’s approach in Rwanda very much rewrote the rules in this respect. By the time the UK’s *Rwanda Country Strategy Paper* (CSP) was published in 1999, the UK had built up important relationships with key members of the GoR, notably the Vice-President (and President from 2000) Paul Kagame and the Minister of Finance from 1997, Donald Kaberuka. Central to the UK’s approach has been its capacity to use these relationships to build “a strong development partnership with Rwanda founded on [its] ability to have an honest, open and frank policy dialogue” (DFID 1999: 5). The importance of the relationship of ‘trust’, enabling such a dialogue, was frequently referred to in interviews with UK officials, and was again highlighted in the 2004 *Country Assistance Plan* (CAP) (DFID 2004c: 15). The fact that the UK was “alone” among donors in placing such trust in the GoR, as one former official put it, created an atmosphere of mutual respect, which in turn facilitated UK access to core policy-makers. This access is fundamental to the budget support approach. It allowed the UK to engage with the GoR on critical questions, often behind closed doors, and to be closely involved in the policy process. Indeed, when accused of not taking a sufficiently critical stance

⁵⁸ Interview: BTC, Brussels, 27 May 2004.

towards the GoR, the UK falls back on the argument of ‘behind-closed-door’ diplomacy, stressing that more overt criticism would be damaging to the relationship and perhaps destabilising to the country.

To frame the relationship with Rwanda, an innovative new instrument was signed in 1999 between the UK and the GoR, the Memorandum of Understanding (MoU), which was renewed in 2004.⁵⁹ The MoU is premised upon a ‘partnership’ approach, with ‘mutual commitments’ on both sides – the UK provides flexible, long-term support in return for the GoR’s adherence to its policies on socio-economic development, conflict resolution, national reconciliation and good governance (DFID 1999: 9-12). This reflects DFID’s broader political conditionality terms, notably that “aid is directed at serving the development needs of the poorest countries provided their government demonstrates a commitment to poverty reduction”; and that DFID will provide resources where there is a willingness on the part of the recipient to “enter into a transparent partnership” (Morrissey 2002: 21).

The 1999 MoU is a fairly weak document, however, stretching to only four pages. Commitments are weighted towards technocratic and institutional arrangements or are deliberately vague: the GoR “will work towards a negotiated settlement of the conflict” in the DRC; good governance is assessed by unspecified “progress”; the benchmarks are loose (DFID 1999: 9-12). This caused some concern in the MoU 2002 assessment which recommended much tighter benchmarks for governance (Steedman and Andenas 2002). One senior official working on the MoU in 1999 said that the whole process was a “nightmare”. This was unknown territory, there were no legal precedents and no in-house legal advisors. DFID was trying to agree benchmarks for a country it did not know. Without the force of Clare Short behind it, it is unlikely that it would have happened at all.⁶⁰

There is nevertheless a clear evolution between the UK policy papers and the MoUs of 1999 and 2004, demonstrating deeper changes in the UK position. The 2004 CAP is a more substantial document, including a comprehensive ‘risk analysis’. There was a long consultation process in the UK and Rwanda leading to significant changes between drafts. Coherence between UK departments, notably DFID, the FCO and the Treasury, is more prominent and there is tougher language with regard to human rights and democratic progress. Various explanations can be advanced for this: the impact of public consultations, where civil society groups were pushing for greater conditionality; a change of Minister with a less personalised view of Rwanda and unfolding events in Rwanda and the Great Lakes region. The CAP was also being prepared as Rwanda was going through its election process in 2003, a time when many questions were being asked, as we saw in chapter 5. Between the May 2003 draft and the final version more hints at conditionality are included and there is less assumption of faith in the direction the GoR will take. There are subtle nuances in the language which hint at a more cautious approach focusing on “critical, but supportive dialogue”, and working with “progressive champions for change” and “trusted interlocutors” (DFID 2004c: 6). The 2004 CAP is a more political document

⁵⁹ In contrast to other donors, whose conventions between the GoR and the donor are usually signed by the Ministry of Foreign Affairs in Rwanda, the UK’s 1999 MoU was signed between DFID and the Ministry of Finance. This reflects the strength of relationship between these two bodies, but also DFID’s approach to working with Minecofin as the key interlocutor for development. Interestingly, the 2004 MoU was signed by DFID and the Rwandan Minister for Foreign Affairs.

⁶⁰ Interview, former DFID official, 2 June 2004.

than the 1999 CSP, including a political analysis of the situation in Rwanda and outlining the UK's understanding of the GoR's political ideology. It is also more modest, recognising that the UK has "less influence" on politically sensitive issues such as the media, justice reform and the operation of political parties (idem: 14), although it does stress its influence over certain developmental policy processes, such as the PRSP and education. This raises questions about the real value of the policy dialogue in which the UK appears to place so much faith. The GoR may listen to UK as its largest and most trusted donor but it does not necessarily comply with what the UK wants it to do. The lack of access to this 'behind-closed-door' diplomacy makes it hard to know to what extent the UK is using its influence or whether that influence is less strong than hoped.

The revised MoU signed in January 2004 is also more substantial, laying down explicit targets for both partners. The UK commits itself to supporting the GoR's strategies, utilising GoR procedures and systems wherever possible and providing aid in a flexible and predictable manner. The GoR commits itself to making progress on a range of issues: regional peace and stability, the poverty reduction strategy, national unity and reconciliation, human rights, democratization, and economic and financial management. A procedure is set out for formal dialogue if either party is deemed to have reneged on its commitments with a transparent and phased approach to reducing or halting aid (DFID 2004a). However, there are concerns that the indicators for political governance cannot be easily monitored, and these are areas where UK support is minimal. Indeed, the MoU seems to be caught between insufficient detail which renders the clauses too general and therefore too difficult to monitor, and too specific with regard to targets and indicators, with the same effect (Killick, Katumanga and Piron 2005).

A core element of budget support is the provision of a predictable flow of resources to the central government. Analyses of budget support in practice are demonstrating that in fact budget support is remarkably *unpredictable*, as we saw in chapter 2. This has proved to be the case in Rwanda. As noted in previous chapters, 2003 and 2004 were turbulent years for Rwanda, given the election process and ongoing tensions with the DRC. These events, coupled with poor harvests, led to Rwanda going off-track with the IMF (IMF 2004) which in turn created problems for the disbursement of UK budget support, as well as that of other budget support donors. 2004 saw a more serious challenge to the UK's budget support approach, and to its MoU, however. In 2004 and early 2005 disbursements were delayed every quarter, with the delays linked to both IMF negotiations and political qualms in the UK about Rwanda's intentions vis-à-vis the DRC. This reflects the caution creeping into the UK's approach, but it also captures flaws in the design of the budget support programme. As the UK's 2005 policy paper on conditionality states,

Where it is necessary to reduce or interrupt aid, we will make the decision based on criteria and processes agreed with our partner country in advance. The process will allow for a substantial period of assessment and discussion between the developing country government and donor agencies. Any planned disbursements will continue during the period of dialogue. Dialogue is particularly important when several donors have conditions in the same areas and there is a risk of countries losing a substantial amount of aid at short notice by failure to adhere to certain conditions. (DFID 2005a: 13)

However, the UK failed to follow this procedure with regard to Rwanda in 2004. The review of the UK MoU for 2003-2004 (Killick *et al.* 2005) considers that the UK acted without due regard for the terms of the MoU in delaying budget support without undertaking a formal dialogue process. On the GoR side, one senior official expressed disappointment at the unilateral action taken by the UK which undermined the nature of this partnership agreement.⁶¹ The response from the UK government in a press statement was that it considered GoR action to be “inconsistent” with commitments, that it was “right and necessary” to withhold budget support, and that “Rwanda’s threat posed an immediate and extraordinary hazard to regional peace and security”. This was considered to constitute the “exceptional circumstances” under which the UK could renege on its agreement to provide predictable support (Press Release, HMG, 10 June 2005). This incident raised concerns among Rwandan officials about the more negative aspects of budget support. Moreover, although the UK continues to be Rwanda’s main ally, in discussions with certain officials it was clear that there had been a change in feelings towards the UK as a consequence of this incident – the effusive language about the UK was somewhat dampened. DFID field staff were also concerned about irrevocable damage being caused to the relationship of trust.

The issue of policy dialogue and political conditionality is a completely different matter for Belgium. Belgium has tried to introduce more in the way of political conditionality into its programmes since the beginning of the 1990s, including with regard to Rwanda and other Great Lakes countries, to promote human rights, governance and democracy (Renard and Reyntjens 1995). In the early 1990s positive conditionality measures were applied in Rwanda to push for democratic reforms and an end to the civil war, with a degree of success at the time. But after the genocide, attempts to impose political conditions were undermined by the poor relations between the two governments, by Belgium’s record during the genocide and deeper reflections on its long-term role in Rwanda, and by the much more positive stance of other, notably ‘new’, donors (Debar *et al.* 1999).⁶² Even where Belgium would have considered imposing conditionalities, there was reluctance to halt support to basic education and health, rural development or emergency assistance (Renard and Reyntjens 1995). So even when aid was frozen to Rwanda briefly in the wake of the Kibeho massacre in 1995, emergency aid and support to the justice sector continued (Pottier 2002: 165). This reflects the later commitment made by Belgium to the OECD-DAC’s ‘do no harm’ approach (OECD-DAC 2001c). For Belgium, the relationship is premised on support for the *country* and the *population*, not the government of Rwanda. Central to this is that any poor relations with the government should not affect support to the people. This is quite different to the UK, whose relationship is quite specifically with the government.

The Belgian policy documents which frame the Rwandan programme – the 2001 Great Lakes Plan, and the *Note Strategique* – do carry quite explicit conditions. As with the UK, these are generally not termed ‘conditions’. Informants preferred to say that they were holding the GoR to its own commitments as laid down in its policy

⁶¹ Interview, Ministry of Finance, Kigali, 24 September 2004.

⁶² The application of human rights conditions was inconsistent, however. Aid was halted to Zaire in 1990 over human rights abuses, but at the same time supplied to the Habyarimana regime. This reflects the more widely held international perspective on the corrupt Mobutu versus the developmental Habyarimana (Verwimp and Vanheusden 2003).

documents, e.g. drawing ‘conditions’ from GoR policies but not imposing conditionality. This reflects the shift in language around conditionality highlighted in chapter 2. These conditions concern regional conflict resolution and peace building in particular, as well as commitments to good governance. The 2001 Plan recommends a two-tier approach to development cooperation on the basis of progress on conflict resolution: a ‘partnership *towards* peace’; and a ‘partnership *in* peace’.⁶³ In theory, as stability was established through adherence to regional peace agreements the relationship would progress from the former to the latter (GoB 2001). It should be recalled that both this Plan and the *Note Strategique* were prepared while the GoR still had troops present in the DRC. Conditions inherent in these documents therefore reflect the political situation at the time. The *Note Strategique* is a more technical document with the cooperation programme based on the principles of partnership, ownership and the priorities of the PRSP.⁶⁴

However, actual Belgian aid activities in practice are largely unaffected by these broader conditions. Political reasons may be behind delays in decisions on some projects, and as we discussed above, the use of sector and budget support has been hindered by political concerns in Belgium. Officially the partnership is based on a process of dialogue and consultation, linked to commitments outlined in the PRSP, but the implementation of Belgian aid policy is determined largely by technical requirements of specific projects. Individual projects are negotiated with the relevant line ministry then managed jointly; when asked about the general conditions underpinning the programme, the response from officials was often dismissive of these as of limited relevance to daily business. The conditions attached to each project are specific to that project, and rarely extend beyond technical issues, such as the provision of counterpart staff and resources and a GoR commitment to achieve the aims of the project. Conditionality for Belgium in reality is very much of a micro-economic, project-specific nature (Renard and Reyntjens 1995). This emerged clearly during the 2004 negotiations of a new programme and Convention with Rwanda. When NGOs began calling for Belgium to adopt a benchmark system, the administration dismissed this as unfeasible in light of the project approach. Rwanda is not therefore involved in the type of political policy dialogue that is so central to the UK approach, although there is close negotiation on technical aspects of policy between the GoR and Belgium in specific areas like health and justice. The continuity in projects despite changes in Rwanda and changes in the Belgian government (in terms of policy and the regime in general) demonstrates how embedded the project system is in local networks and systems. Although the reform of Belgian cooperation has brought about new styles of project management, there has been remarkable continuity in actual project activity, with many rolling projects being extended and renewed as others are completed. This system seems quite divorced from broader political and diplomatic considerations, and is clearly very different to the budget support approach.

⁶³ *Partenariat vers la paix; partenariat dans la paix.*

⁶⁴ There are some question marks about the quality of the *Note Strategique* – it was one of the first to be drafted, so was part of a learning process. Moreover, there was limited GoR involvement and limited consultation either of civil society or Belgian staff in Rwanda, although it was supposed to be essentially undertaken by them (interviews: DGCD staff, Brussels 13 June 2003; DGCD staff, Kigali, 13 October 2003).

Conclusion

The examples of UK and Belgian policies in Rwanda between 1994 and 2004 demonstrate that a common overall agenda does not necessarily lead to the adoption of similar approaches in implementation. The main differences between these donors can be roughly divided into two categories: the political and the administrative. Within each of these categories, differences can be attributed to agency-wide positions on the one hand, that is the overall policy and approach of the ministry of cooperation in its broad strategy, and to factors specific to Rwanda on the other hand. These are laid out in figure 7.2 and apply beyond these two countries to the other countries explored in chapter 3.

Four factors stand out from this scheme: the interpretation of events by donors; the impact of the donor's history in Rwanda; the aid instruments used; and the domestic environment of the donor. Firstly, the interpretation of events in Rwanda by the donor, be they political, diplomatic, social or economic, differs widely amongst donors. How a donor country interprets what is happening within Rwanda and the region impacts upon the dialogue with the GoR, upon the types of activities and upon the choice to engage or disengage. For example, if a donor reduces or increases its budget for Rwanda, this may be attributed to administrative factors such as budget cuts or changes in priority due to a new minister or government strategy. Such decisions may also mask deeply political, unilateral decisions. No two donors act alike in this respect. One example of this is the contrast between the UK, Dutch and IFI position that categorised Rwanda as 'post-conflict' by about 1997, and that of certain Belgian officials for whom Rwanda, even in 2002, could not be classified as post-conflict given its involvement in the conflict in the DRC at the time, and the continuing instability caused by the ex-FAR/*Interhamwe*. For some Belgian informants, it is still more fitting to consider Rwanda as a 'conflict-affected' country.

Figure 7.2 Differences in Donor Policy

	AGENCY-WIDE	RWANDA-SPECIFIC
POLITICAL	Objectives for aid Priority countries Priority sectors Political tendency of donor regime Prioritisation with regard to global aid trends Voice of Parliament and civil society Engagement with international agendas	History in Rwanda and the Region Interpretation of events in Rwanda Importance of Rwanda in overall strategy Interest and pressure from civil society Concerns about human rights and governance Priorities specific to Rwanda, e.g. justice or governance Whether Rwanda seen as 'special case'
ADMINISTRATIVE	Preferred channels for aid Preferred modalities Administrative organisation (e.g. whether programme managed by a body like GTZ or BTC) Size of budget Accountability requirements to own government	Size of office on the ground and staffing Resources and capacity to engage in coordination actions Size of operation in budgetary terms Which actors the donor works with Channels for aid in practice Existing networks Perceived comparative advantage

On the other hand, however, there has been an increasing convergence of donor positions over Rwanda's regional relations. In the late 1990s there were polarised opinions about Rwanda and the DRC. Some donors withheld aid or were taking a very cautious approach because of this, including Belgium. The UK position, by contrast, was to accept the GoR's line on the security threat as legitimate. Indeed, the signing of agreements on the provision of budget support and the MoU in 1999 took place against the backdrop of the Rwandan invasion of the DRC in 1998. By the end of 2004, however, a more common position was evident with most donors eager to see the GoR conform to international agreements and halt belligerent activities in the interests of regional stability.

The second factor is how history affects the political will of a donor country to provide support to a country like Rwanda, the space in which it has to manoeuvre vis-à-vis the Government or society, and the type of dialogue in which it can engage. For example, the complex recent histories of France and Belgium have led to a strained relationship with the post-1994 GoR. Belgium's approach after the genocide reflects the profound impact of the events, leading in government circles to a much more cautious approach, but with reverberations beyond bilateral cooperation to wider Belgian society. In contrast, the UK's positive relationship is premised upon its lack of history in Rwanda. History can also affect the technical areas in which a donor is involved, for example the traditional role of Belgium in the health sector or Canada in higher education can be traced back to decades of intervention in these areas.

Thirdly, the type of aid instruments employed strongly affect the nature of the relationship between the donor and the GoR, with knock-on effects in terms of policy dialogue and capacity for leverage. The UK's provision of budget support allows it to engage in a very different type of dialogue with the GoR, often on issues of particular sensitivity such as the national budget, from which the Belgians are excluded. In providing aid in this way, the UK is seen as the greatest 'friend' of Rwanda, compounded by its positive commitment since 1994. The projects in which the Belgians are engaged give Belgium a greater input at lower levels of the administration. The implementation of Belgian cooperation projects also demonstrates how shifts in policy at the global and country level do not necessarily affect actual activities on the ground. There is remarkable continuity, partly due to the co-management system.

Finally, the domestic environment of a donor is a major factor, underpinning all the other elements. This affects cooperation with Rwanda in both political and administrative terms. The importance of civil society, of particular politicians and of domestic priorities impact upon the decision to engage or disengage in Rwanda, and impact upon the types of modalities employed. This reflects Lancaster's observation, that

aid agencies, whether bilateral or multilateral, are political entities, embedded in political institutions and environments. These institutions and environments often play a significant role in influencing and constraining aid decisions. Indeed, it is difficult to understand many of an aid agency's policies without taking bureaucratic politics, legislative influences, political party preferences, interest groups, societal characteristics, and public opinion in donor countries and organizations into account. (Lancaster 2000)

What is happening domestically also reflects broader shifts in aid theory and practice, however. Changes in both the UK and Belgian governments impacted upon development policy and practice in Rwanda, but these also linked into swings at a global level in development thinking, tied to economic and social currents. For example, in the early 1990s both the UK and Belgian governments adopted forms of political conditionality and began emphasising poverty reduction in their aid programmes. This became stronger under subsequent governments throughout the 1990s and into the 2000s in line with global trends. At the same time, particular donor agencies play a strong role in developing these agendas. Since 1997, the UK has been heavily involved in aid thinking. It is a much larger donor than Belgium, with a bigger international profile and policy teams working on global aid issues in close collaboration with international institutions, the European Union and the OECD. DFID has been described as both progressive (Morrissey 2002, OECD-DAC 2001b) and ‘arrogant’ in this respect (McGrath 2002; King and McGrath 2004). Many DFID officials with whom I spoke were incredibly positive about and proud of DFID’s policies in general and in Rwanda and its ‘leading’ of other donors – this was ‘institutionalised arrogance’ as one informant said.¹ Belgium, on the other hand, has not been particularly prominent in these debates. It has also been faced with a lack of a clear internal consensus on aid practice. At the current time it is rather attempting to catch up with thinking around programme aid. Belgian officials often appeared embarrassed about their internal squabbles and the provincialism of some policies.

Yet, the Rwandan case also raises questions about the reality of implementing these global policies in practice. The problems emerging with the budget support approach and with the MoU system instigated by the UK are a case in point (see Killick *et al.* 2005). Moreover, ownership remains subordinate to donor interests and systems.

These examples demonstrate how volatile aid relationships can be. Since 1994, there have been no dramatic changes in relations between the GoR and these two particular donors, but the positions have nonetheless shifted in this short period of time. Where Belgium and the UK were once seen as at opposite ends of the spectrum of ‘new’ and ‘traditional’ donors, they now seem to have drawn closer together with Belgium becoming less critical and the UK becoming more inclined to question aspects of the relationship.

This chapter highlights the complexity of donor engagement in a country like Rwanda, and it reiterates the message that the relationship cannot be simplified to one between donors on the one hand and the GoR on the other. Each individual donor has its own way of working. Moreover, there is no possible way to separate the political from the technical, despite attempts at defining an official separation through development cooperation and foreign affairs portfolios. Throughout the course of this research, concerns were continually expressed by development actors about the subordination of long-term development cooperation aims to short-term diplomatic and political objectives. However, demands for political conditionality, albeit with a human dimension, within development policy demonstrate a blurring of the lines between foreign affairs and development cooperation. This contrasts with Riddell’s findings in the late 1990s that donor discourse, objectives and strategies were becoming increasingly apolitical in nature (Riddell 1999).

¹ Fieldwork diary, 8 October 2004.

The potential clash comes out quite strongly in Rwanda, where the GoR can be seen to be a progressive, developmental state in many ways. However, the internal political situation and broader regional environment underpin the technical policy. This study demonstrates the complexity of finding the balance between these positions. Development activities on the ground, be they projects, policy dialogue around the PRSP or coordination actions, are largely technical and bureaucratic. Development in these terms is approached by both the UK and Belgium in terms of measurable, tangible outcomes. There are grounds for not applying political conditions in the interests of predictability and the smooth application of programmes. Indeed, political analysis is considerably limited at the level of country offices. For example, governance advisors on the UK side in Rwanda focused almost exclusively on institutional governance and accountability measures, not on broader political and social governance issues. At a different level, however, both in Rwanda and within the donor country itself, much more politicised debates impact upon the programme. The gap between bureaucratic expedience in the field and broader political concerns leads to the absence of a deep, sustained reflection on the potentially crucial political and social fragmentations present in Rwanda, which often lie beneath the surface of the 'face' presented to donors, which we explored in chapter 6.

Conclusions: The Complexity of ‘Ownership’ of Development Policies and Processes

Introduction

This thesis set out to consider the seeming global consensus on aid principles which were developed throughout the 1990s and early 2000s; to explore what the ideas of development espoused within this agenda mean in practice in a country like Rwanda which is dependent on external assistance, yet deeply independent in its approach to donors and international agencies.

Rwanda emerged from conflict at a time when the international aid agenda was going through a profound shift, one which consolidated itself into a complex set of mutual commitments focusing around poverty reduction (cf. figure 2.1, page 17). By the early 2000s, this had moved beyond a concern with internal governance in recipient countries to the practices of donors deemed to present an obstacle to the effective use of aid. Although this study concentrates on the post-1994 period in Rwanda, the rise of the new agenda was already felt in Rwanda during the civil war which broke out in 1990. At this time, pressure was laid upon the government of the day to engage with the Rwandan Patriotic Front in peace talks, and to implement democratic reforms in order to create a power-sharing arrangement which would usher in lasting peace. In support of the peace process and the structural reform programme signed with the international financial institutions (IFIs) in 1990, additional aid from bilateral and multilateral agencies flowed into the country between 1991 and 1994. The political opening has been described as one factor in explaining the 1994 genocide; and donor agencies have not been exempt from strong criticism for blindly supporting this process.

Our period of concern, post-1994, can be divided into three phases with regard to relations between the GoR and donors. Firstly, the emergency and post-emergency period of 1994 to 1998 when donors were resuming aid activities and grappling with the consequences of the genocide. The GoR was beginning to establish its policy priorities and consolidating its internal and regional political position. New donors came on the scene and quite diverse positions vis-à-vis the new regime in Kigali could be observed in meetings amongst aid actors. Between 1998 and 2001, as the policies of the GoR took shape and began to resonate increasingly with the international poverty agenda, aid resources began to flow more towards the central budget. The IFIs and budget support donors such as the UK became prominent supporters of the new regime. At the same time, Rwanda's involvement in conflict in the Democratic Republic of Congo (DRC) and concerns about the internal democratisation process continued to worry many donors, with some withdrawing support and others showing clear unwillingness to consider providing direct aid to the GoR. Since 2002 a new phase in relations can be observed. This saw the withdrawal of Rwandan troops from the DRC, thus relieving that particular concern of donors, and elections in the country, marking the end of the transition period. On the policy front, of prime importance was the finalisation of the PRSP in 2002, which

gave donors a clear framework resonating with the international poverty reduction agenda around which to begin coordinating aid interventions. Since 2002, GoR-donor interactions have revolved around the implementation of the PRSP and various mechanisms to improve aid effectiveness have been established to this end. Nevertheless, ongoing tensions in the Great Lakes Region continue to impact upon the relationship and play an important part in determining how donors engage with the GoR and vice versa.

Rwanda's dependence on international assistance – both technical and financial – has led to considerable input of external actors in the policy-making process over the last 10 years. The economic and social development strategies of the GoR, while diverse, reflect a broader international agenda – poverty, governance, financial management, economic growth, social and human development. Donors have demonstrated a willingness to support this programme. As a small country, with a limited number of principal donors, easily accessible Government institutions and a clear adherence amongst aid actors to the dominant concepts of development discourse, Rwanda has constituted a good example to explore the various elements of the new aid paradigm. At the same time, the research had its limitations. What I observed on the ground in 2003 and 2004 was the *construction* of new mechanisms. The poverty reduction strategy was being turned into workable sector strategies, coordination systems were being established, and public financial management concepts were being adopted across the institutions. This research permits reflection on debates surrounding the establishment of these systems, not the outcomes and results.

That said, by considering the nature of relations in Rwanda today between the GoR and various donor agencies and amongst these actors, as well as the recent history of these relations between 1994 and 2004, some important conclusions about the new principles of aid can be proposed, specific to Rwanda and of broader significance.

'New' Programme Aid in Rwanda

Debates about aid effectiveness have seen the return to favour of programme aid instruments, and particularly the rise of budget support. There has been a shift from discrete projects to much greater coherence of aid instruments, whether programme or project, around a government-owned policy. The Rwandan experience raises a wide range of questions about 'new' programme aid and in particular budget support which is inherently tied up with the concept of recipient ownership and has been the stated preferred aid mechanism of the GoR for many years. Only a limited number of donors provide general budget support in Rwanda, namely the IFIs, the European Commission, the UK and Sweden. The majority of bilateral donors continue to favour the project mechanism, which raises quite different effectiveness issues. The conditionality of projects is more technical, they induce higher administrative burdens and are not necessarily tied to GoR priorities; yet, there are also examples of projects which work closely with GoR systems and projects which are highly appreciated by the GoR. Hence, it is too simplistic to consider projects to be a poor instrument and budget support a better one; what matters for both instruments is the behaviour of donors and how they interact with and respect the recipient.

Several points are worth noting with regard to budget support: entry conditions; predictability; the impact on national sovereignty; and pressure to disburse. Firstly, the main reasons for using budget support are to increase predictability and stability, to enhance ownership, to reduce transaction costs by integrating donor support, to facilitate dialogue around policy processes, and to render aid more flexible and efficient (Killick 2004; Unwin 2004). For most analysts of budget support, a core entry condition should be a degree of trust in the recipient government (Killick 1998; DFID 2004a), with budget support subject to a considerable amount of selectivity, granted on the basis of a government's proven political commitment to macro-economic planning, poverty-focused policies and good governance (Mosley and Eeckhout 2000; Booth and Lawson 2004). Moreover, a thorough evaluation of the risks should be a prerequisite (DFID 2004a). This implies that budget support should only be provided where the government has a good track record, where robust systems are in place, and where the donor has considerable confidence. In Rwanda there is a potential clash between these principles and the practice of budget support.

When the UK began advocating budget support in Rwanda, these conditions were clearly not in place, although it should be noted that many of the reflections on these preconditions have taken place since the UK began providing such aid to Rwanda. The UK had no real knowledge of the Rwandan government, and the relationship of trust was based on a brief, and very personalised, history. The UK's budget support programme in Rwanda emerged from the desire to assist a cash-strapped government, the institutional interest in adopting a new approach to aid, and the absence of existing project mechanisms and networks which would have been necessary for any other instrument to function. Indeed, rather than budget support being provided once the systems were in place to adequately account for and use it, in Rwanda budget support has been provided to *establish* these systems. The UK and Belgian approaches to budget support illustrate two very different positions: the prudent approach of Belgium to engage cautiously until the systems are in place; and the risk-taking of the UK to support the construction of the system. Having decided to provide budget support, the UK has subsequently spent several years building the institutions and policies necessary to fulfil accountability requirements. This has included strengthening the macro-economic policy framework in the Ministry of Finance, strengthening public financial management procedures, setting up the Rwanda Revenue Authority, and supporting the preparation of the PRSP.

Sector budget support has in some ways been seen as a compromise, a mechanism for enhancing aid effectiveness without taking the risk of channelling resources directly into the central budget. Indeed, there are question-marks about whether donors providing general budget support may fall back on sectoral approaches if concerns about governance in Rwanda and the real poverty-reducing benefits of general budget support continue, a point raised by informants in Rwanda and DFID officials from London. This counteracts the idea of a linear progression from projects to sectoral aid to budget support, which GoR officials have hoped for and which has been assumed in recent documents like the Commission for African Report. In Rwanda there is clear reticence among several bilateral donors to follow this trend. A sectoral approach nonetheless brings its own challenges. On the one hand, there is space for both earmarked budget support and discrete projects to work in complementary fashion, aligned with the GoR's policies and increasingly on-budget. There is evidence of a shift in Rwanda to projects framed by such a programme

approach which represents a break with past practices. On the other hand, sector budget support is arguably more complicated. The Rwandan experience demonstrates that it requires another layer of policy planning and strong capacities within line ministries for financial management. Considerable effort has been put into developing sector strategies in 2004, but the weaknesses of these, with plans often unrealistic or uncostered, imply that substantial institutional strengthening will be required to fulfil donor accountability requirements. This raises the question of whether new programme aid can be adopted as a mechanism without structures, policies and institutions being in place. The UK approach, as we have seen, has been to provide programme aid in order to strengthen this capacity in the first place.

The second major issue around budget support is that of predictability. As chapter 4 demonstrated, one goal of the Budget Support Harmonisation Framework was to improve predictability in budget support disbursements by giving the GoR sufficient prior warning of spending plans. Ideally donors would align their disbursement patterns with the GoR budget. In practice, however, this may prove much more complex. Evidence from elsewhere suggests that predictability has in fact decreased with budget support (see Killick 2004). The experience of Rwanda in 2003 and 2004 tended in this direction, with budget support disbursements frequently delayed for a variety of political and administrative reasons. This research took place as harmonisation systems were being established, so it remains to be seen whether this situation reflects teething problems or is symptomatic of deeper issues.

This has important consequences when considering whether budget support may actually induce greater dependency within developing countries. Indeed, budget support is a mechanism which is considered to work best in situations of high aid dependence. Although the proportion of internal to external revenue is increasing, the GoR is still dependent on foreign assistance for almost 50% of its recurrent budget. The running costs of the country, including public sector salaries, therefore depend greatly on the disbursement of budget support. Project funds are notorious for being delayed, but these delays have a limited impact on the macro-economic stability of the country. By contrast, delays in budget support are potentially catastrophic. This dependency element suggests that budget support donors bear a great deal of responsibility for any instability caused by the withdrawal or delay of aid. Indeed, in its 2004 *Country Assistance Plan* for Rwanda, the UK explicitly recognised a withdrawal or reduction in aid as representing a threat to the stability of development processes (DFID 2004b). Disbursement patterns in 2003-2004 in Rwanda highlighted this risk, and it is a risk of which the GoR is aware. Harmonisation is intended to address this question of predictability, but it also presents another potential threat, namely the potential shortfall in resources if donors take a common stance on not disbursing budget support. Experience to date in Rwanda indicates that this is unlikely; rather we see considerably mixed messages emerging from budget support donors. For example, as the UK was holding back on budget support instalments due to GoR threats to re-enter the DRC in 2004, both the World Bank and the IMF approved new payments. Likewise, there appears to be a move away from cross-conditionality. In the past, disbursements of budget support were largely dependent on IMF programmes being in place; the UK and EC have both introduced flexibility to disburse even when an IMF agreement has not been finalised, although their decisions are still linked to the IMF analysis of the macro-economic

environment. This situation suggests that there is in fact a shift *away* from harmonisation.

The responsibility on the part of budget support donors brings us to a major concern about new programme aid in Rwanda, namely the possibility that donors are reinforcing a 'poor' government rather than supporting a 'good' government. This is highly salient in light of the very different interpretations that exist of the GoR, and the very different 'faces' that it presents to the international community. However, if donors were to withdraw this support they risk creating a situation of greater instability by weakening state capacity. Behind this lies the important questions of what donors engage with, what they choose to see and not to see when they assess the GoR's progress against a wide range of criteria, how they balance progress in areas like poverty reduction and macro-economic governance against poor performance in areas like human rights, and how they weigh up policy commitments against actual practice. There is a potential risk that in seeking to pursue a particular agenda in Rwanda, namely one which has been viewed by some as a model of post-conflict reconstruction and poverty reduction, donors are being complacent about the real political dynamics in the country. NGO activists in particular wish to see budget support donors making greater use of their leverage to steer the GoR along a path towards 'good governance'. Donors for their part imply that they are doing this through policy dialogue. There have been instances where joint donor pressure has had an impact, for example in persuading the GoR to withdraw troops from the DRC in 2002 and not to take military action in the DRC in 2004. Although conditions have not necessarily been rigorously applied to aid, this study demonstrates that the nature of the GoR and some of its policy choices have affected the willingness of individual donor agencies to provide particular types of support to Rwanda or to engage at all. Nevertheless, the differences in opinion not only amongst the wider donor community but even amongst the small group of budget support donors point to serious holes in the dialogue process and benchmarking systems in terms of giving clear, consistent messages to the GoR. 'Streamlined conditionalities' therefore appear far from operational in Rwanda. Indeed, the different instruments employed by donors result in a wide range of technical, operational and political conditions applied to aid.

A third important point with regard to budget support is the impact on national sovereignty and democratisation processes. GoR officials are adamant that budget support should not interfere with GoR policy processes; yet there are contradictions within the new aid package between local ownership of aid and policy processes and donor exigencies in respect of policy dialogue and conditions on aid. Budget support targets the policies of the government in power and reduces the engagement of donors with other actors in society. As we have seen, the UK's programme is very much government-to-government; other donors like Belgium and the USA specify that their activities are government-to-country. This begs the question of whether there may be a clash between budget support and democratisation. Should it be taken as read that the Rwandan 'people' are in favour of the GoR's programme of action, which has ultimately been pushed and supported by external rather than internal financiers, or that they agree with the neoliberal agenda or the participation model being proposed? In shoring up a developmental state in pursuit of particular objectives, such as poverty reduction and sustainable growth, is there a risk that donors are in fact damaging local political processes? The space for the population to

seriously challenge the GoR over its policies is diminished by the presence of strong external backing for these policies.

A final point with regard to ‘new’ programme aid, one which rarely comes up in the literature but does in the Rwandan example, is the pressure to disburse. Although in theory budget support donors have greater space than project donors to ‘turn the tap’ on and off, these agencies are still required to spend their budgets. This may become increasingly the case in light of commitments made in 2005 to increase aid to Africa. As Belgian officials said, the only way to actually spend their new aid commitments towards Rwanda would be through sector or budget support channels. The project system is limited in what it can absorb. Will this situation then lead to a clash between the objectives of aid efficiency and ownership on the one hand and the pressure on agencies to disburse more aid on the other? Will the pressure to spend override both scrutiny and ownership? Donors which have attempted to follow GoR procedures more closely claim that this practice has led to lower disbursement rates which may hamper alignment around local processes.

Coordination and Harmonisation: Re-Assessing Ownership

The above discussion has touched upon a number of issues regarding coordination and harmonisation. This study of Rwanda provides considerable insight into the practicalities of translating a desire for aid effectiveness into a workable system in the face of capacity constraints, different perspectives of the overall agenda, and contentions for leadership of the process. Our exploration of the coordination ‘architecture’ in Rwanda demonstrates the efforts being put into improving collaboration amongst aid actors, resulting in a range of working groups, meetings, discussion forums and information matrices. The level of activity increased throughout the two years of field research. However, the core issue emerging seems to conform to the observation made by Calhoun and Whittington (1988) that ‘no-one wants to be coordinated.’ At the heart of this lies the question of whose pace and agenda dictates the process.

At the Paris Forum on Harmonisation, it was agreed that

[t]he concept of recipient country ‘ownership’ is fundamental to the ‘coordination’ agenda – recipients are not only expected to take responsibility for defining national development strategies (around which donors can align and harmonise), but to take the lead on the coordination of aid at the country level. (Paris Declaration 2005)

In Rwanda, it is clear that the GoR is not leading the drive on coordination. Although the GoR is a partner in the process, it is essentially donor-led. Since 1994, the GoR has been demanding improved coordination, more predictability of funding, greater transparency in aid flows, and greater control over aid resources. However, this has not led to greater GoR ownership despite the establishment of mechanisms like CEPEX. By the time this research was completed this institution still faced considerable obstacles with regard to efficiency and effectiveness. Moreover, while some members of the GoR are very active on coordination, this is far from widespread and there is limited evidence to suggest a government-wide consensus. Consequently, the demands for improved coordination of aid have not translated into a consistent message or drive from the GoR side; rather it has been largely reliant upon donor initiatives. Frustrations were evident on both sides in 2004, with donors

presenting a task list to the GoR of what they expected, and the GoR stalling on telling donors what it wanted, as we saw in relation to the Cabinet Paper on the cluster system.

The expectations around coordination imply that there is a fundamental tension between demands for results and Government ownership. In 2004 there was considerable pressure to produce sector strategies. For the GoR this was linked to making demonstrable progress on implementing the PRSP, accessing World Bank resources and facilitating more programme-oriented support. For their part, donors were under pressure to illustrate how they were meeting their commitments in the run-up to the Paris Forum. The tensions between actors over the Cabinet Paper offer an illustration of this. In the absence of GoR direction, donors continued to forge ahead with establishing harmonisation frameworks and cluster groups, essentially setting the agenda. Discussions revealed limited consideration for slowing down the process in order to allow the GoR time to develop its ideas and take leadership. Rather the imperative was to go with the existing momentum and demonstrate tangible progress. The desire for quick-wins and examples of good practice is rife throughout the aid system where there is pressure to demonstrate that mechanisms which have barely had a chance to become established are working. Writing on World Bank reform packages, Callaghy (2000: 79) describes the “overly optimistic expectations” of international actors, with an eagerness to see results ensuing from “analytic and policy hurry.” At the same time, however, the GoR was not suggesting a slow-down, reflecting the wider reality that the GoR wants everything and to do everything as rapidly as possible. In the face of capacity and resource constraints the general line is not ‘slow down’ but ‘give us more technical assistance and resources’.

The experience of preparing the Cabinet Paper throws up additional questions which are much more profound, namely around sovereignty and power, an issue we touched upon in relation to budget support. This goes beyond a question of GoR versus donor control to processes within the GoR. Various explanations for the problems around the Cabinet Paper can be proposed: firstly, that this was just not a top priority in the face of a multitude of priorities; secondly, that there was profound confusion about coordination across ministries; and thirdly, that concerns about sovereignty placed serious obstacles in the way of a Government-wide agreement. Following the adoption of the cluster system in late 2002, limited attempts appear to have been made by Minecofin representatives in charge of coordination to grasp the initiative and get other ministries on board. The reluctance to keep donors informed about the Cabinet Paper and internal coordination processes indicates a deep-rooted issue.

With the shift in aid thinking, additional power is accruing to Minecofin. It is the overseer of sector strategies, the focal point for the PRSP, the hub of budget support and the home of coordination activities; consequently it is the main interlocutor with donor agencies. Although clusters function at the line ministry level, the more money that is channelled through the central budget, the less direct access line ministries have to aid resources and the less direct control they have in negotiations with partners over resource mobilisation, both technical and financial. In the past, line ministries could turn to a particular donor for equipment such as vehicles, computers and technical assistance; now they are expected to plan those needs within a more coherent budget which is approved by Parliament, passing through Minecofin. In theory this should render lines of accountability more ‘normal’, that is internal rather

than external, but this also has consequences for internal power structures and relations. There is, moreover, no guarantee that a line ministry will actually receive the resources requested. Seen in this light, it is by no means given that programme aid or harmonisation are in the interests of many individual actors within state institutions. This reflects Unwin's concerns that

[t]he closer engagement of the International Financial Institutions (IFIs) and donors with African finance ministries has served to strengthen the power and capacity of these ministries relative to many of the more socially oriented line ministries. Hence, current donor practices not only influence policy from afar, but are also having an indirect effect on the restructuring of power relations within African governments. (Unwin 2004)

This issue around power is not just salient on the GoR side. As we have seen, there are also tensions over donor leadership of coordination processes and broader development agendas. This was perhaps most obvious in the tensions between the UNDP and World Bank over the Round Table / Consultative Group process, but is evident at other levels also. In interviews, some GoR informants spoke of donor rivalry over cluster leadership and their desire to be involved in more 'trendy' areas. The creation of sub-clusters has been seen by some as a way of creating space for more donors to act as leaders. This implies that coordination may be becoming a new type of 'flag-flying', with donors eager to outline in their policy papers and at international level their commitments and best practices in this area. Both Belgian and UK Rwanda policy papers outline their role in leading on coordination; even the creation of national 'harmonisation plans' by donor countries reflects a desire to be 'seen' to be acting on this agenda. The 'self-promotional purpose' (c.f. chapter 2, page 27) vis-à-vis coordination is as applicable at the country level as at the international level.

In this regard, the problems in establishing coordination in areas where there is either no obvious leader on the donor side or no interest at all are significant. The clusters which have worked well are those where there is clear interest from a single donor agency and committed individuals within that agency. Once a donor does take the lead, however, the question of whose priorities take precedence arises. For example, when Belgium took over the lead on health in late 2004, it then wanted to stall the process until their new expert on health arrived; so essentially it wanted to impose its own timetable. On the other hand, where cluster establishment has been slow, e.g. on infrastructure, ICT or human resources, there has been no drive from the GoR to mobilise donors. We can infer from this that the GoR is waiting for donors to act rather than seizing the initiative itself.

Underlying this are fundamental questions about just what different actors understand by coordination, harmonisation and alignment. As Baaré *et al.* observed in 1999,

[t]here is a tendency to interpret every meeting of donors as 'co-ordination'. Members of donor bureaucracies who participate in many of these meetings concede that more often than not they are accurately 'information sharing' and 'information gathering'. (Baaré *et al.* 1999: 31)

This observation was based on the coordination situation in Rwanda in 1998-1999, before the PRSP was adopted and the new 'architecture' was established. Yet, this research from 2003 to 2004 implies that while some donors are pushing for

harmonisation and alignment, others continue to see coordination in terms of basic information sharing. There is a general sense among the 'progressive' donors that they cannot wait for everyone to come on board, that they need to forge ahead with those who are interested and that others will join at their pace. While some donors appear to be attempting to catch up by engaging with the idea of sectoral approaches, there was also some disgruntlement (certainly in earlier discussions during 2003 and early 2004) about being forced down a particular path by agencies who refuse to listen to the viewpoints of others.

At the same time, there are also clear signs that many people involved have a weak grasp of the basic concepts and little time is devoted to retrospective reflections and debates on such matters. Few interlocutors were aware of the recent history of coordination processes in Rwanda which meant that the profound tensions in the system were not addressed. The lack of debate on basic concepts resulted in the strange scenario whereby, for example, USAID was highly active in the clusters but generally uninterested in the harmonisation agenda; DFID, on the other hand, appeared condescending about the cluster system and basic coordination, yet was at the forefront of reflections on harmonisation. This raises questions about how functional coordination can really be without overall agreement on the core concepts and agendas. One very basic problem in Rwanda amongst donors was mere information sharing. For many actors, coordination should be about so much more, but even information sharing about aid flows, review missions, studies and technical reports conducted by consultants,¹ and workshops and seminars was far from optimal. Various systems have been put in place to facilitate information sharing which have never taken off sufficiently.² A fundamental starting point in establishing an efficient coordination system would be to optimise each potential area before seeking the distant goal of full harmonisation.

This needs to be taken a step further, however. Is it enough for there to be agreement on concepts and procedures? The Rwandan case demonstrates that there are very different understandings of the nature of the state and how it should be helped. Harmonisation is hampered not only by different donor domestic constraints, but by their different understandings of what is happening in Rwanda. So is full harmonisation possible without consensus not only of procedures and practice but also of political perspectives on the recipient country? One of the dangers for the GoR is that, by harmonising, donors are more likely to present a unified force against the GoR if they deem it appropriate; so from this perspective a diversity of opinion is perhaps welcome. At the same time, discussions on the ground around coordination often seem divorced from this more political context. The coordination mechanisms described in this study are largely technical. At other levels aid is being affected by political events and undercurrents; yet these do not form part of the everyday agenda

¹ Each donor conducts review missions, consultancy studies and evaluation reports on programmes, policies and activities. Yet, there is no common pool of these, nor mutual access or sharing. Consequently, there are often overlapping studies and frequent repetitions of activities conducted by a different donor. I came across various consultancy reports written in the late 1990s on topics like coordination which few people seemed to know about. When a new member of staff of one donor agency suggested some form of common pool of such studies the idea was met with derision as unworkable (observations, meeting on the PRSC, World Bank, 5 October 2004).

² I was often struck during interviews about how little senior representatives seemed to know about the activities of other donors. In fact, given that informants knew I was conducting research across the donor community, I was often asked to provide information about what others were doing.

of those on the ground who are trying to achieve better coordination of aid. Meetings go on, consensus is sought, strategies and frameworks are drafted - basically the cogs of aid continue to turn. Much of this reflects the conscious or unconscious choices made by individuals and agencies in the interest of 'getting things done'. But it also relates to the overlapping remits between development and foreign affairs portfolios. The mandate of development workers in the field requires them to focus on the orthodox side of technical policy, on the development strategies. Political analysis is someone else's domain.

The above discussion indicates how complicated it is to render aid more effective through programme approaches, harmonisation and alignment, and fostering country ownership. At the time this research was conducted in Rwanda, there was evidence of increased transaction costs in terms of time and human resources devoted to this process with no indication of where the agenda was leading and what the outcomes would be. The incentives and motivations for individuals and agencies alike are consequently unclear. Indeed, several informants complained that they received no recognition for working on coordination as their performance was still assessed on the basis of tangible delivery of projects and budgets. This problem has been recognised at the international level, highlighted in the Paris Declaration and preparatory work for Paris (de Renzio *et al.* 2004). The unrecognised problem is that if coordination and harmonisation begin to be evaluated as 'deliverables' against which individual or agency performance may be assessed, then donors may dominate the agenda more than ever rather than allowing space for this to become a recipient-owned process. Already in Rwanda, with the appointment of a coordination specialist, there were signs that tangible progress needed to be demonstrated to justify the position and the budget; that the negative sides of coordination and the flaws in the system had to be 'sanitised' in the interests of maintaining momentum and interest.

One consequence of unclear incentives is that coordination becomes the task or responsibility of specific people within agencies, rather than inherent to the daily working practice of all aid workers. Coordination in Rwanda depends greatly on individuals. For example, the fresh interest of both German and Belgian actors in cluster activity coincided with the arrival of new staff committed to this agenda. Participation in coordination events in practice is very self-selecting, always involving the same individuals. This often reflects the extent to which field offices have the capacity and delegated authority to engage closely in coordination activities. As we saw with regard to the Budget Support Harmonisation Framework, even those donors with devolved authority were constrained by limits set by their headquarters with regard to accounting requirements, procurement procedures and budget calendars. Furthermore, many agencies have limited staff available to engage in meetings and dialogue processes.

Following on from this point of remit and staffing is the nature of information flows within agencies and between representatives on the ground and headquarters. The 'coordination architecture' described in figure 4.1 (page 66) gives the impression of a coherent system where information flows logically between levels and actors. Very often the same individuals are involved in these various levels. However, it is not evident that the outcomes of these meetings, nor that coordination principles and decisions, are disseminated within agencies and down to operational levels, e.g. from donor country office senior staff to programme officers, to technical

assistants on projects or in ministries, to project staff in the field, or to NGOs funded by the donor. Although some technical assistants participate in coordination activities,³ very often there is limited communication between the TA of different donor agencies working in the same ministry unless social relationships exist.⁴ A similar story prevails on the GoR side. Minecofin tends to be present at most coordination meetings, but line ministries are only involved in cluster meetings and there is little evidence of feedback and communication between these actors.

Communication between the field and headquarters raises additional questions. Discussing coordination in Tanzania, Lehtinen observes that there is a great deal of pragmatism within coordination activities on the ground, with signs of “bottom-up approaches” (Lehtinen 2003: 10). This is similar to experiences in Rwanda. However, the evidence of this research suggests that aid actors are working under considerable constraints imposed on them from their headquarters. They are therefore coordinating within defined boundaries and appear to be reshaping concepts to fit existing activities, rather than seeking to change practice in line with new ideas. This was noted at the Paris Forum, but it raises questions about where the initiative should come from, particularly in terms of recipient ownership. Global declarations and frameworks on aid coordination imply a top-down approach whereby the actions and agendas of country offices are set at an international level. To what extent, therefore, is there room for lessons from the field to be fed into policy processes on harmonisation at the headquarters level, and from there into the international arena? Moreover, are there signs that

headquarters [are] learning from country experiences, demonstrating a willingness to take their cue from conditions on the ground and to work at a pace with which country capacity can cope? Or are field offices rather obliged to find ways to apply an international agenda, which may distort local processes in the interests of achieving headquarter targets, reporting back to global forums, or keeping up with discussions within the OECD, the EU and amongst bilateral agencies? (Hayman 2005c)

This raises the fundamental point of whether there are real changes happening in agency practice to bring on board the requirements of the new aid agenda within policy frameworks. The Rwandan experience demonstrates clearly that, with effort and negotiation, it is possible to arrive at agreements on coordination practices and procedures. There is clearly a strong desire to improve aid effectiveness, given the amount of time and resources devoted to this subject at international and local levels. However, the obstacles to donors actually implementing these arrangements appear to lie largely in the constraints imposed at the headquarters level.

³ For example, various German technical assistants are closely involved in clusters. By contrast, British TA implied that they were positively discouraged from attending coordination meetings or retreats as these were considered a policy dialogue domain and therefore the remit of the DFID country office.

⁴ I came across this phenomenon in the health, justice and education sectors.

The Global Consensus Revisited

The discourse of the new aid agenda dominates the interactions between actors involved in the aid system in Rwanda. Yet this language is inherently problematic and masks a great deal of divergence. The central argument emerging from this study is that profound differences at multiple levels between the strategies and agendas of aid actors present a serious obstacle to the notion of a consensus at international level amongst donor agencies and developing countries about the components necessary for effective aid. This thesis has only explored the official aid agencies, and within that has concentrated on the main OECD bilateral agencies active in one country, Rwanda. Likewise, this research has only concentrated on a few key members and institutions of the central Government of Rwanda who act as counterparts to donors. These constitute only a fraction of the entire spectrum of actors. There is a tendency to talk about 'donors' as a generic group without specifying exactly who that means. It is hard to avoid the term and this can easily lead to an assumption of homogeneity; that when we talk of donors we mean the entire gamut of potential agencies; and that there is a common approach, perspective and goal. This assumption is highly problematic. Often we refer to 'donors' but only mean a few agencies at any given time. This masks the very profound differences between them and it also masks the differences *within* them. The terms 'agency' or 'institution' or 'government' likewise obscure the importance of individuals within the system.

This point is as pertinent in Rwanda as at the global level. Although a great many countries may have signed up to agreements such as the Rome Declaration on Harmonisation and the Millennium Development Goals, not all countries and agencies have played as central a role as others in preparing and pushing the agenda. Consequently, we need to differentiate between those who are leading the way, those who are pushing, those who are being led or pushed and those whose voices are not being heard. This came out clearly throughout 2005, a year when aid to Africa was high on the international agenda. The negotiations around the G8 summit in July 2005, the compromises necessary at the UN Global Summit in September 2005, the role of developing countries in preparations for world trade talks in Hong Kong in December 2005 demonstrate the difficulty of even reaching the stage of signing a 'declaration'. Very different agendas are on the table - aid, security, debt relief, environmental concerns, human rights, trade, etc. Elements of this agenda are being promoted and blocked by different actors.

Nevertheless, there is agreement at the global level that aid should focus on poverty reduction, that good governance and country ownership are essential to aid effectiveness from the recipient side, and that improved coordination, harmonisation and alignment⁵ are essential on the donor side. But what does this mean when it is translated into actions at the country level? The evidence from this research points to clear areas of divergence, such as between recipient and donor agendas, and amongst aid agencies.

Firstly, our examination of development policy-making in Rwanda highlights that there are two clear strands to GoR policy. While poverty reduction constitutes one central focus, this is a wide and complex area and certain elements receive greater attention than others. For example, the rural sector and infrastructure have been

⁵ This has increasingly being dubbed 'good donorship' (see www.odi.org/pppg/cape).

prioritised far less than the social sectors; the GoR has a fixation with ICT. Even within sectors, limited resources mean that some areas are prioritised ahead of others, as the education sector demonstrates. Donor interest in primary education led to a concentration of resources in that sub-sector, while the GoR's main concern was the tertiary level. Other sub-sectors have consequently been neglected for lack of resources (Hayman 2005b, 2005a). Furthermore, although relations between the GoR and donors revolve around the PRSP, this is not necessarily where the GoR's focus lies. Economic development and poverty reduction are not one and the same, and the GoR's policies aimed at the internal audience, as evidenced in the trajectory from the Declaration of Principles of 1994 to the 7-Year Programme of 2003, point more squarely towards economic growth first and foremost.

The other central element within the GoR's vision is that of security and stability, and it is here that the GoR displays a very different perspective on political and social governance to donors. There is more or less consensus on the technical side of governance – the GoR and donors are serious about improving public financial management and institutional capacity. The GoR's perspective on democratisation and human rights, however, differs to that of some donors. Indeed, amongst the donors there are also nuances between those who are more firm on human rights and democratisation and those who accord the GoR more leeway in these areas. Within the GoR itself there are very different voices, and likewise the GoR's vision of policy priorities may differ substantially from civil society actors. In this situation, no one agenda is more nor less legitimate; agendas may coincide, for example everyone is concerned with poverty, but there may be divergence about how to achieve common goals.

As both the education and health examples showed, donor preferences can result in the crowding-out of some sub-sectors and the neglect of others. In theory, a programme approach should overcome this in that by providing the resources centrally the GoR can focus on all priority areas. But the financial, human and technical resource scarcity in Rwanda means that unless donors provide additional support for particular areas, these will not necessarily be prioritised unless they coincide with GoR priorities. This results in a conflict over what to prioritise when there are so many demands and not enough resources. Even budget support donors continue to focus their technical assistance, their earmarked envelopes and their policy dialogue on specific sectors and sub-sectors. For example, the UK focuses on institutional governance and education, the Netherlands on justice and Sweden on the police.

The choices that donors make about how to and what to engage with in the GoR's strategy reflects their understanding of the GoR and how they weigh up the different agendas or 'faces' of the GoR. The GoR's adherence to the 'orthodox' poverty agenda has enabled it to access external resources, but it is too simplistic to claim that because the GoR has a good PRSP it is primarily focused on poverty reduction. For example, the UK's assessment of the GoR has very much been as 'pro-poor and progressive', with low corruption and limited fungibility. But that analysis only engages with certain policies. Despite attempts to analyse the political ideology of the GoR in its most recent policy paper on Rwanda (DFID 2004c), the UK does not look significantly beyond the PRSP to alternative trends in the country or to the broader ideology of the GoR which is arguably more about long-term economic development and stability than about poverty reduction.

Moreover, there is a balance to be struck between progress in some areas and weaknesses in others. From a developmental perspective, Rwanda has made remarkable progress since 1994; the GoR appears genuinely committed to poverty reduction and economic growth, as well as to social development. From another angle, however, it is a regime which shows signs of increasing authoritarianism and regional belligerence. On the basis of the former assessment, Rwanda is a prime candidate for increased donor assistance, and arguably increased budget support; the latter analysis, however, mitigates against an incautious approach. In supporting the GoR's poverty strategy, particularly through the provision of budget support, it could be suggested that donors are shoring up a potentially authoritarian, neo-patrimonial regime whose primary goal may not be poverty reduction, as the following authors warn:

Rwanda presents the international community with a grave dilemma. At first sight, peace reigns in the country... a 'democratization' process is supposedly underway, and technocratic governance is apparently satisfactory... In light of a dramatic past, there is a profound desire to see things moving in the right direction... While it is understandable that the 'genocide credit' and the logic of 'good guys and bad guys' should have inspired a particular understanding for a regime born out of the genocide, this complacent attitude has incrementally, step by step, contributed to a situation that may well be irreversible and that contains the seeds for massive new violence in the medium or long run. (Reyntjens 2004)

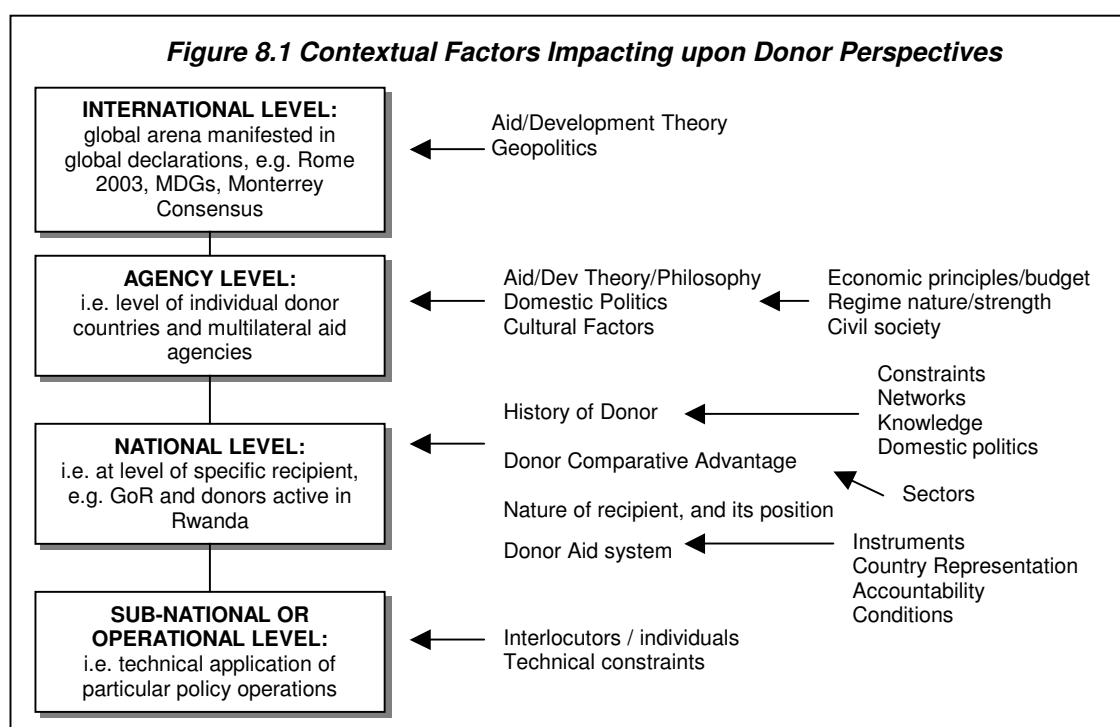
There is obviously a strong sense of history repeating itself here: the Bank is once again displaying a willingness to lend strong support to Rwandan state power, and the consequences for ordinary people – in Rwanda itself and in the DRC may once more be bleak. (Storey 2001)

This sort of viewpoint has emerged frequently over the last ten years and is arguably becoming increasingly salient. It relates back to the concerns raised by Uvin on donor support for the Rwandan state before the genocide (Uvin 1998). The prospects for real political progress in Rwanda were, if anything, more negative in 2004 than in 2001, when Storey was writing, yet the poverty agenda has drawn an increasing number of donors into a much closer, positive relationship of support for the GoR. Several informants expressed growing concern that the trends were negative following the elections. Yet despite some pressures on the GoR, the application of political conditionality has been limited. The aid by and large continues to flow.

For several donors, the rebuttal of this argument would be that in providing assistance, particularly programme aid, donors are creating the space for political dialogue in order to steer the GoR towards better governance and service provision; and that by encouraging the GoR to invest in social services, justice, governance and accountability, a stronger civil society will emerge which will take Rwanda down the road towards a sustainable democracy. However, to really make a difference a very subtle understanding of the political dynamics of the country would be required and there are doubts as to whether that knowledge exists within the daily activities of officials in aid agencies. Reflecting back on the issue of incentives raised in the previous section, the motivation for individual aid workers to really get to know the country in which they are working is doubtful. Secondments are often of short duration, and my observations on the ground pointed to a considerable lack of

engagement among some aid workers with what was going on in the country. Although this lies beyond the scope of this research, it is an important area for reflection in terms of just how effective aid can be if the country context is not well understood by those working there on a daily basis.⁶

The second area of divergence is amongst (and within) donor agencies. In the late 1990s, diversity in donor approaches was interpreted in terms of ‘new’ versus ‘traditional’ donors. However, the picture is much more complex. Over the last ten years the positions of individual donor agencies have frequently shifted, their engagement rising and falling on the basis of numerous factors. As figure 8.1 shows, there is no single explanation for the behaviour of donors. At a range of levels – international, agency, national and sub-national – a whole range of historical, cultural, economic and political factors impact upon donor activities. These factors are both Rwanda-specific and system-wide. While structural and institutional elements are crucial, individual agency also plays an important role throughout the system. This runs from the highest to the lowest levels. The personal engagement of individual ministers provided the driving force behind some donor programmes in Rwanda, as was the case for the UK, Belgium and the Netherlands in the immediate post-genocide period. The UK was able to take a risk on Rwanda not only because of its lack of history in Rwanda and strong relations with the GoR, but also due to the strong mandate of the minister and her political weight. Indeed, the personal perspectives of individual ministers often seem more important in determining the direction of a programme than the actual performance or needs of Rwanda and the GoR. The role of individuals is also crucial at lower levels, where the personal commitment of individual officials can determine whether coordination activities succeed or not, as has been demonstrated in considerable depth by Mosse (2005).



⁶ See King and McGrath (2004) on knowledge management in aid agencies. The authors observe that knowledge of the agency takes precedence over country knowledge.

Within donor agencies there is also important diversity, where “[t]he national interests of individual donor countries, pursued by means of development assistance, may differ, compete and conflict” (Forster and Stokke 1999: 34). Given the limited trade and strategic interests of most donors in Rwanda there is perhaps greater potential for coherence within donor governments than in other developing countries. However, there have been tensions between development and foreign affairs agendas for several donors, including Belgium and to some extent the UK, which relate back to the potential conflict between supporting a development-oriented government versus taking an authoritarian regime to task for failing to adequately address governance issues.

So what does this mean for the international consensus? The divergences between actors can be both problematic and beneficial. They create some considerable difficulties in the management of aid for the GoR, yet they also give the GoR some room for manoeuvre. As we have seen, there are risks with too much harmonisation, just as there are with too little harmonisation. The GoR is able to pursue its various priorities partly because there is no common agenda amongst donors. Analyses of donors in Rwanda in the late 1990s pointed to a polarisation amongst donors. There are signs that this may be lessening, with more critical donors re-engaging and more positive donors becoming more wary. Increased coordination allows for some joint positions to be taken. Yet different priorities, analyses and perspectives amongst donors continue to impact upon the adoption of a consensual approach.

Ownership of Aid Policy and Processes in Rwanda: donor-dominated, recipient-led or joint?

The above sections seek to bring together various arguments arising from this thesis. Finally, we return to the question raised in the introduction, namely: who is driving development in Rwanda? And how do the differences in donor approaches affect the space for the GoR to define its own development agenda?

The concept of ‘ownership’ is central to the new discourse on aid. At the country level, it is also a discourse which permeates aid relationships. However, it is inherently problematic. The ‘ownership’ which we have explored in this thesis relates primarily to Government control over aid flows, over development policy, over choices of aid instruments and over the coordination of aid. Central to this is the locus of ‘ownership’ and notions of ‘having’, ‘giving’ or ‘taking’. Revisiting the quotations in chapter 2 about ownership from the perspective of international and donor agencies (box 2.3, page 35) demonstrates the centrality of these ideas. The OECD in 1996 and the Rome Declaration of 2003 emphasise the need for partner countries to ‘assume’ a leadership role, to ‘take’ ownership and to ‘take’ the lead. The UK (DFID 2005a) insists that country’s should ‘have’ leadership over development policies. The World Bank quote from the introduction (page 1) points rather to the idea of ‘giving’ ownership in the sense of putting the recipient into the driving seat. Ownership in this context is strongly equated with leadership, that is with control over and responsibility for development policies and outcomes. The idea of ‘having’ ownership indicates something inherent; the other notions – of ‘taking’, ‘giving’ and ‘assuming’ – imply rather a transfer from one body to another. In this, there is a clear resonance with Lancaster’s view that:

At the heart of the ownership issue is not consultation but control. If aid donors truly wish to transfer greater responsibility for managing their aid to their recipients, they must be willing to cede a measure of control over key decisions involving that aid. (Lancaster 1999: 230)

However, this transfer is only foreseen on a number of conditions, which brings us back to the architecture of the new aid agenda outlined in chapter 2 (figure 2.1, page 17). To recap, provided that a recipient can demonstrate its commitment to a sound poverty reduction strategy, including accountable economic and political governance, then donors will support it through increased aid, debt relief, and improved aid effectiveness. The OECD depicts this system as a pyramid (see figure 2.2, page 36), with ownership in the sense of the recipient setting the agenda at the apex. The OECD suggested a two-way reading: top-down, starting with the recipient setting its agenda and donors aligning and harmonising around it; or bottom-up, starting with establishing harmonisation arrangements, then aligning around a strategy, resulting in greater capacity for the recipient to set the agenda. This, however, is problematic when applied to the Rwandan case. The main problem is precisely in equating ownership with the recipient setting the agenda; but there are also problems with the alignment and harmonisation levels. If we take the top-down view, Rwanda has set its agenda in having a clear policy direction – both poverty-oriented and broader. But, Rwanda's poverty strategy, although officially set by the GoR in consultation with the Rwandan people, was strongly influenced by external assistance. It is not merely a Rwandan agenda, but an agenda which satisfies the external financiers. This is, admittedly, recognised by the OECD: "the country's development agenda must be oriented toward the growth and poverty reduction results it expects to achieve" (OECD-DAC 2005a: 14). However, this is far from representing a free-rein for the recipient to 'have' full ownership and set its own development agenda.

Moving to the next level of the pyramid, we can see that donors have aligned around Rwanda's poverty agenda, but only in the sense of agreeing to make this the common framework for programmes and projects. In terms of the second element of alignment, that is relying on partner systems, most donors in Rwanda continue to work in accordance with their own prerogatives. The bottom-up approach, starting with harmonisation, does not fit the Rwandan experience either, because without an agreed agenda or clear implementation strategies, there is nothing to align and harmonise around. Nevertheless, the idea of progressively working towards country ownership does resonate more with the Rwandan experience and perspectives of many Rwandan officials.

Indeed, in Rwanda ownership can be seen as more of an aspiration, something to be achieved gradually. As chapter 4 demonstrated, the GoR has been demanding ownership since 1994 in terms of asserting control over what aid flows into the country and how. These demands reflect frustration at the lack of coordination amongst the many aid agencies flocking into the country, the absence of transparency about aid activities and amounts, and particularly at how much aid bypassed the central government's budget and institutions. This resulted in a discourse which was often very critical of the international community and insistent on national ownership and national priorities. However, over time, and with support from certain donor agencies, the GoR has been able to assert more control over aid. There has been a significant evolution from the situation of uncoordinated, unstructured aid in 1994 to

the complex coordination architecture which existed in 2004 (see figure 4.1, page 66). This is linked to the consolidation of the institutions of government and the development of structured policies, as well as the increasing Government capacity for the management of aid and policy. With the adoption of the PRSP, donors have demonstrated much greater willingness to concede some ownership. Consequently, Rwandan ownership of development policy and aid can be seen as progressive. Returning to the idea of 'having', 'giving' and 'taking', this is a mutual process of donors 'giving' ownership as the GoR 'takes' it. The French for ownership – *appropriation* – is much clearer than the English in this respect, as the French word carries connotations of taking possession.

The central problem with the idea of 'ownership' of aid and development policy in Rwanda is the country's aid dependency. The GoR has had to prove itself worthy of donor confidence through the adoption of a PRSP, adherence to good governance, political progress, public financial management, sustainable development, etc. This does not mean that there is no government ownership; indeed, our exploration of GoR policy priorities demonstrates clearly that there are several agendas for development, not all of which are necessarily commensurate with what donors would like to see. The GoR's capacity to forge its own identity and to reinforce it through the policy process has been a constant throughout the post-genocide period. Indeed, as Uvin (2001a) observes: "donors only really control the form, but not the substance, of the institutions they help build."

So does this then suggest the possibility for a linear process towards ownership, with the GoR progressively asserting its agenda and donors progressively improving their alignment and harmonisation, as the pyramid would suggest? I would argue that this idea breaks down in two places, firstly with regard to internal GoR processes and secondly with regard to donor willingness to concede control. This study demonstrates that the GoR is not really seeking to force its agenda for coordination and ownership. The rhetoric is there, with certain actors insisting that "we have had to impose the coordination thing"⁷ but there seems to be limited internalisation of this. There is a lack of internal comprehension about aid processes and weak direction coming from the government about how ministries should interact with aid actors; there is limited drive and initiative being taken by the GoR. The establishment of coordination and harmonisation systems has been largely donor-driven. In the absence of a clear-cut internal agenda it becomes evident that the GoR does not 'have' ownership and cannot therefore 'take' full ownership. Indeed, in the face of this and the dependency of the GoR on external assistance there appear to be two currents within the GoR – the political and the pragmatic. Ownership is to be aspired to, but the GoR will leave it aside in the interests of maintaining access to resources.

More important perhaps are the signs that there is a limit to how much control donor agencies are willing to cede over aid policies and processes. The question of whose pace and terms dictate is as pertinent here as it was to coordination and harmonisation mentioned above. Moreover, there are a number of paradoxes evident in donor behaviour. For example, one rationale for providing budget support is to expand country ownership, yet it is subject to greater conditionality than projects and can be given and taken away at the whim of the donors despite mutual agreements.

⁷ Interview, Ministry of Internal Affairs, 20 September 2004.

This brings us to the core of the contradiction in the aid agenda with regard to ‘ownership’, one that is in fact explicit in the rhetoric of the new principles of aid. What we see in Rwanda is not a drive towards country ownership, but rather a process of establishing a system of joint ownership. Indeed, in Rwanda today it is very hard to envisage a situation of pure, country-led development policy and practice, where the genesis of policy is fully within the hands of the GoR (or the country), where the GoR determines the priorities (whether these reflect global agendas or not), where the GoR decides on the use of funds which flow via channels which suit it best, and where donors respect this totally. The main reason for this can be traced to the various constraints upon donor countries and agencies outlined in figure 8.1. The OECD has stressed that donor practices need to change, including increasing the authority delegated to country offices. But even where authority is more devolved, for example in the cases of the UK, the EC and the Netherlands, these agencies are still constrained in their actions by decisions taken at the level of headquarters. Fundamentally, questions of accountability underpin the obstacles to ownership. Donors are subject to a series of checks and balances. Some of these are specific to Rwanda, reflecting the particular history of the donor in the country and the context of that environment; others reflect much broader questions. This reflects the words of Hinton and Groves (2004: 9) who stress the importance of recognising the complexity of the aid system, one “where generalizations are dangerous and where understanding difference is key.”

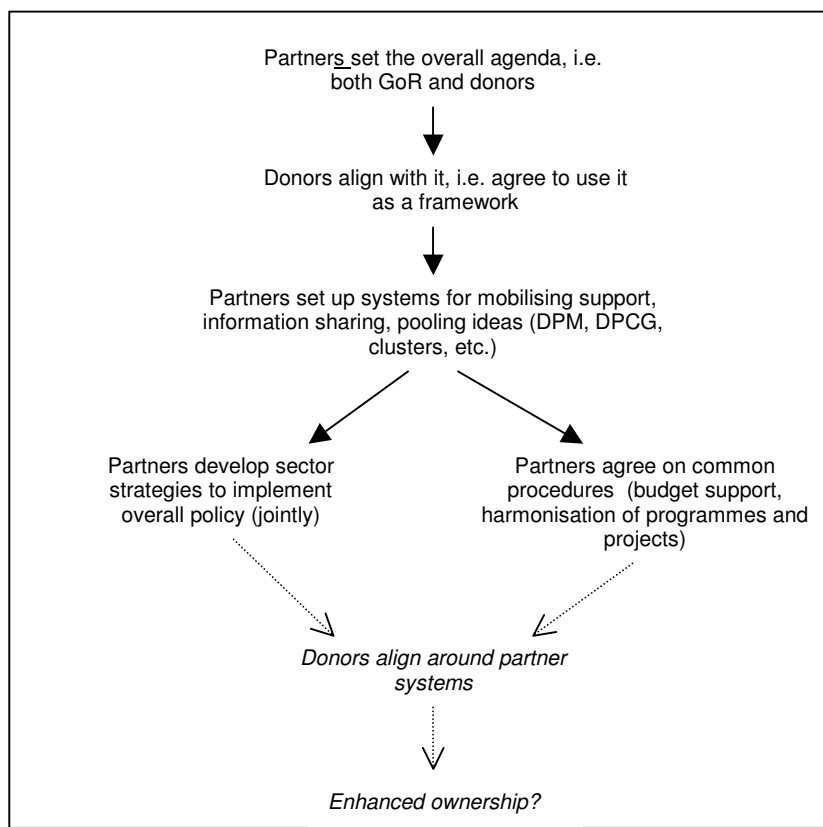
Within this, Rwanda’s aid dependency is crucial. Ultimately, the only countries where this aid agenda is being strongly pursued, involving all the various elements we have observed, are countries like Rwanda which are highly aid dependent and where there is considerable donor intervention in policy processes. The fundamental contradiction in the new aid system, and certainly one which needs problematising and clarifying, is that ownership in this sort of aid-dependent environment cannot be about full country control, about the country ‘having’ ownership; rather it is about mutual responsibility. This question of mutual responsibility is explicit in the recent international declarations about aid effectiveness, it is explicit in the aid architecture outlined in chapter 2, and it is explicit in Rwanda. Where the GoR has not seized the initiative sufficiently to satisfy donors, they have continued to follow their own path. Where the GoR does attempt to take ownership, to be the sole generator of policy papers, the empirical evidence suggests that donors are resistant. They demand a voice because ultimately the policies need to reflect donor concerns and fulfil requirements for donor accountability. Consequently, the policy process ends up with the GoR putting forward its agenda, which already reflects what donors want to see, then a process of negotiation ensues with donors requesting particular amendments to satisfy their needs. This would imply that provided donors are happy with a strategy they will allow the GoR to ‘own’ it; where there is dispute, which is more likely in sensitive areas like justice or governance in comparison to health or education, while donors may not refuse to support it, they will try to amend it. This is not *country* ownership, but rather *joint* ownership. Put another way, this is ultimately about constructing an effective partnership, reflecting the views of Carlsson *et al.*:

aid is very much a joint undertaking between a donor and the government of the recipient country... The aid relationship is, in essence, a practical thing – a working relationship. As such, it can be understood as an interaction between

two organisations to do something which is jointly agreed. (Carlsson *et al.* 1997: 11)

Indeed, abandoning the pyramid, the Rwandan experience appears closer to that outlined in figure 8.2. What this shows is that the agenda is set through a joint process, which donors then agree to align with. For this to be translated into practice requires a series of operations. Instruments are created to enable dialogue amongst the partners, such as the coordination architecture outlined in figure 4.1 (page 66). Sub-programmes are prepared, in Rwanda's case the sector strategies, to provide something concrete to hinge support upon and by which to measure progress. In parallel to this, mechanisms are put in place specifically to improve the harmonisation of budget support and the establishment of common procedures, such as those outlined in harmonisation frameworks. In theory, this should then provide the framework for donors to align around recipient systems. However, this is theoretical as there is no evidence that this is happening in Rwanda to date. And ultimately, does this enhance country ownership? The above arguments would suggest that this is unlikely to be the case.

Figure 8.2 Rethinking the Pyramid: Ownership, Harmonisation and Alignment in Rwanda



Rather, perhaps we need to set aside the notion of country ownership and concentrate instead on the nature of the partnership, and in particular the enforcement of the mutual responsibilities which are seemingly so central to the new aid agenda. This brings us back to the question of power and control. Adherence to this aid

effectiveness agenda is entirely voluntary; there are no mechanisms in place to force donors to adopt it, beyond peer pressure. Despite the current trend towards partnership frameworks outlining mutual commitments, there are no measures in place to allow recipients to enforce good ‘donorship’. The HARPP partnership framework implied that the onus was on the GoR, on the “extent to which government is proactive in challenging donors when they fail to abide by agreed... principles”. But as we saw with regard to the Memoranda of Understanding, the GoR has no power to act when a donor takes a unilateral decision on aid disbursements. These decisions can be highly subjective, going beyond practical and economic conditionality to elements which are difficult to quantify such as progress on democratisation or governance, areas in which there are potentially very different perspectives, e.g. on whether the GoR is acting belligerently or in self-defence vis-à-vis the threat from rebel movements in the DRC. Likewise, the GoR has no control over amounts of aid provided nor the modalities employed which are decided upon unilaterally by each donor agency. Individual donor agendas ultimately take precedence and these are determined by a wide range of political and administrative factors. This goes as much for donors adopting ‘new’ programme approaches as for those continuing to prefer project aid.

Is ‘ownership’ therefore passé as a concept in discussions of aid effectiveness? It is so frequently referred to in aid discourse and in interactions between aid actors in the field that these reflections would suggest rather that it needs to be revisited, and certainly that the inherent contradictions need to be recognised and problematised. Real ownership and real aid effectiveness on the ground, attuned to country-specific requirements, would require a complete change in donor perspectives. This would require that the origin of aid coordination and policy planning mechanisms really shifts to the recipient country, with country offices and recipients negotiating the entire process from policy priorities to disbursement mechanisms. The conditions would obviously differ greatly from country to country, therefore there could be no centrally-determined accountability or aid management systems, nor global agendas dictating what constitutes a priority. While tiny steps are being made in this direction, such a profound shift is hard to imagine. Ultimately, the aid system as it currently stands is unavoidably inimical to national autonomy. Perhaps for this very reason, the ideal of ‘ownership’ is essential as a reminder about the negative effects of aid.

Concluding Remarks and Areas for Further Study

What this research primarily demonstrates is that the application of a global consensus on aid cannot be divorced from the particular context of the recipient country. There is no such thing as a neutral stance in Rwanda; the actions of donor agencies are determined by both institutional and individual experiences, perspectives and histories. This thesis has attempted to capture some of this complexity through a multi-disciplinary analysis of the technical, political and personal experiences of aid in Rwanda since 1994, using a variety of research methodologies. It is impossible to do justice to the full depth of political processes in Rwanda or to the impact of donors upon the country in this thesis. However, by analysing Rwanda’s relations with some key donors some important issues have been brought to light.

The findings of this thesis focus on primary data gathered over the course of 2003 and 2004. However, this is an agenda which is moving rapidly and this study can only take us so far. This thesis has sought to bring in some of the agency literature produced on these debates in 2005. Continuing contacts with Rwanda indicate that 2005 has seen progress on coordination and harmonisation issues. In parallel to ongoing ministerial re-organisation, a coordination unit - funded by UNDP - has been established within the Ministry of Finance; a new website has been established which provides information on coordination activities; a retreat was held in January 2005 to discuss coordination issues; and, significantly, a policy paper specifically on aid was being prepared throughout the year for debate at the Development Partners Meeting held in December 2005. It has been impossible to follow this evolution in the course of writing up this research. What may appear to be progress from the outside may easily mask continuities on the ground. Consequently, many of the issues raised here may already be out of date, particularly around the structure proposed in chapter 4. This research was conducted as these mechanisms were taking off. A year down the line the story could be quite different as new priorities emerge. Moreover, this study has only looked at particular actors active at the central level. Nevertheless, it throws up interesting questions about how the dynamics of the new aid agenda may affect political interactions within the Rwandan state in terms of who it strengthens and who it weakens. An update on this research a year or two after the original research was conducted could prove highly valuable to testing the evolution of the coordination and ownership debate, and expanding it to look deeper into how it affects the mechanisms of the state.

In concentrating heavily on the example of Rwanda, this study has raised a number of issues which appear both specific to the Rwandan context and which may or may not be present in other developing countries displaying similar features, namely countries which are aid-dependent, with large numbers of bilateral donors present, and where relatively stable governments have begun to implement policies which resonate with international concerns. Countries such as Uganda, Mozambique, Ethiopia, Ghana and Tanzania come to mind. Indeed, many of the aid workers in Rwanda encountered in the course of this study had previous experience in some of these countries and it would appear that there was a great deal of cross-fertilization of ideas. Likewise, officials from the GoR were frequently sent on study trips paid for by donors to countries such as these to learn potential lessons. It would be interesting to undertake a comparison between these different countries, to see which donors are active and whether similar problems arise in translating international arrangements on aid effectiveness into practice elsewhere. At the same time, political developments in countries such as Uganda and Ethiopia in 2005, where tensions have mounted between donors and governments over governance issues, impacting upon flows of budget support and donor confidence, demonstrate considerable resonance with the Rwandan case. Important lessons may emerge for both academic knowledge and policy makers from a more comparative approach to questions raised in this thesis.

A second area for future exploration relates to the regional dynamics. Several of Rwanda's donor countries have regional policies covering the Great Lakes as a whole. Often these are more diplomatic and political statements. However, various donors are beginning to prepare programmes of intervention for the DRC and Burundi based around the post-conflict poverty agenda. Aid programmes tend to be

country-specific and, where devolved authority exists, tend to be managed by country offices which rarely have a regional remit. It would be interesting to explore how the regional policy statements on stability, conflict and reconstruction are translated into country development programme arrangements, whether lessons are being learned from the Rwandan experience, and how much interaction there is between country programmes within the region.

Finally, this thesis touches the boundaries of various theoretical arguments which may warrant further reflection in order to tease out more theoretical lessons: about structure and agency; about links between development assistance and international relations; about power and the state; and about variations in the knowledge base of different actors in the aid relationship.

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ELECTRONIC RESOURCES*

* Principal internet resources consulted

Donor agencies

APEFE (Belgium): <http://www.apefe.be/>

Belgian Parliament: <http://www.lachambre.be/kvvcr/index.cfm?language=fr>

Belgian Senate: <http://www.senat.be/>

Belgian Directorate-General for Development Cooperation:

<http://www.dgdc.be/fr/index.html>

Belgian Ministry of Foreign Affairs: <http://www.diplomatie.be/en/default.asp>

Belgian Technical Cooperation:

<http://www.btcctb.org/showpage.asp?iPageID=2&sLangCode=FR>

Canadian Department of Foreign Affairs and International Trade: [http://www.dfait-](http://www.dfait-maeci.gc.ca/cip-pic/menu-en.asp)

[maeci.gc.ca/cip-pic/menu-en.asp](http://www.dfait-maeci.gc.ca/cip-pic/menu-en.asp)

Canadian International Development Agency: [http://www.acdi-cida.gc.ca/index-](http://www.acdi-cida.gc.ca/index-e.htm)
[e.htm](http://www.acdi-cida.gc.ca/index-e.htm)

CIDA Rwanda page: <http://www.acdi-cida.gc.ca/rwanda-e>

DGCID (France): <http://www.diplomatie.gouv.fr>

DGCID Rwanda page: [http://www.diplomatie.gouv.fr/fr/pays-zones-](http://www.diplomatie.gouv.fr/fr/pays-zones-geo_833/rwanda_374/index.html)
[geo_833/rwanda_374/index.html](http://www.diplomatie.gouv.fr/fr/pays-zones-geo_833/rwanda_374/index.html)

European Commission Rwanda page:

[http://www.europa.eu.int/comm/development/body/country/country_home_e](http://www.europa.eu.int/comm/development/body/country/country_home_e_n.cfm?cid=rw&lng=en&status=new)
[n.cfm?cid=rw&lng=en&status=new](http://www.europa.eu.int/comm/development/body/country/country_home_e_n.cfm?cid=rw&lng=en&status=new)

Federal Ministry for Economic Cooperation and Development (BMZ) (Germany):

<http://www.bmz.de/en/ministry/index.html>

BMZ Rwanda page:

<http://www.bmz.de/en/countries/partnercountries/ruanda/index.html>

German Technical Cooperation (GTZ): <http://www.gtz.de/en/>

GTZ Rwanda: <http://www.gtz.de/en/weltweit/afrika/595.htm>

IMF: www.imf.org

IMF Rwanda page: <http://www.imf.org/external/country/RWA/index.htm>

Netherlands Development Cooperation:

http://www.minbuza.nl/default.asp?CMS_ITEM=MBZ257572

OECD-DAC:

http://www.oecd.org/departement/0,2688,en_2649_33721_1_1_1_1_1,00.html

Swiss Development Cooperation Agency (SDC):

<http://www.sdc.admin.ch/mainportal.php?userhash=35767326&l=e>

SDC Rwanda and GLR page:

[http://www.sdc.admin.ch/countrydoc.php?userhash=35767326&l=e&navID=](http://www.sdc.admin.ch/countrydoc.php?userhash=35767326&l=e&navID=117)
[117](http://www.sdc.admin.ch/countrydoc.php?userhash=35767326&l=e&navID=117)

Swedish International Development Agency:

<http://www.sida.se/Sida/jsp/polopoly.jsp?d=107>

UK Department for International Development: <http://www.dfid.gov.uk/>

UK Foreign and Commonwealth Office: <http://www.fco.gov.uk>

UK Parliament: <http://www.parliament.uk/>

UN: www.un.org
UN Rwanda: <http://www.unrwanda.org/>
USAID: <http://www.usaid.gov/>
USAID Rwanda: <http://www.usaid-rwanda.rw/index.html>
VVOB (Belgium): <http://www.vvob.be/>
World Bank: www.worldbank.org
World Bank Rwanda page:
<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/RWANDAEXTN/0,,menuPK:368660~pagePK:141159~piPK:141110~theSitePK:368651,00.html>

International Aid Sites

Aid Harmonisation: <http://www.aidharmonization.org/>
Millennium Project (UN): <http://www.unmillenniumproject.org/>
Poverty Net (World Bank):
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/0,,menuPK:336998~pagePK:149018~piPK:149093~theSitePK:336992,00.html>
Strategic Partnership with Africa: <http://www.spa-psa.org/main.html>

Rwandan Government and Rwanda information sites

Development Partners Website: <http://www.developmentpartners.rw/index.php>
Government of Rwanda: <http://www.gov.rw/>
Rwanda Gateway: <http://www.rwandagateway.org>
Ministry of Finance and Economic Planning: <http://www.minecofin.gov.rw/>
Ministry of Education: <http://www.mineduc.gov.rw/>
National Bank of Rwanda: <http://www.bnr.rw/>
National Unity and Reconciliation Commission:
<http://www.nurc.gov.rw/eng/presentationen.htm>

Non-Governmental Organisations and Research Institutes:

11.11.11 (Belgium): <http://www.11.be/>
African Rights: <http://www.africanrights.org/>
All-Party Parliamentary Group on the Great Lakes Region and Genocide Prevention (UK): <http://www.appggreatlakes.org/cgi-bin/site/index.cgi>
Amnesty International: <http://www.amnesty.org/>
Eldis: <http://www.eldis.org/>
European Centre for Development Policy Management: <http://www.ecdpm.org/>
European Network for Central Africa: <http://www.eurac-network.org/web/index.php?>
Human Rights Watch: <http://hrw.org/>
International Crisis Group: <http://www.crisisgroup.org/home/index.cfm>
Institute for Research and Dialogue on Peace (Rwanda): <http://www.wsp-international.org/> [operations/Rwanda]
Overseas Development Institute (UK): <http://www.odi.org.uk/>

News sources for Africa/Rwanda:

Africa Time: <http://www.africatime.com/afrique/index.asp>

AllAfrica: <http://allafrica.com/>
IRIN News: <http://www.irinnews.org/>
Rwanda Info Exchange: <http://www.rwanda.net/>

APPENDICES

APPENDIX 1 : List of Interviews*

Government of Rwanda

Roch Ahounou, Technical Assistant, Budget Directorate, Ministry of Finance
Vincent Biruta, President of Rwandan Senate (former Minister of Health)
Johnston Busingye, Secretary-General, Ministry of Justice
Ben Cropper, ODI fellow, Ministry of Finance
Abbé Dushimimana, Minister of Health
Jacob Ndumbe Fonderson, TA to Ministry of Finance
Emile Fundira, Head of Financing Agreements and Resources Mobilisation
Coordination Service, CEPEX, Ministry of Finance
Claver Gatete, Secretary-General, Ministry of Finance
Theodore Hakizimana, UNDP TA to Ministry of Finance
Goretti Kabera, Division of Good Governance, Ministry of Local Affairs
Donald Kaberuka, Minister of Finance and Economic Planning
Canisius Kambanda, CEPEX, Ministry of Finance
Jean Kanyamuhanda, Director of Department of Financial Coordination and
Mobilisation of Resources CEPEX, Ministry of Finance
Sam Kanyarukiga, Director-General CEPEX, Ministry of Finance (to March 2004)
Camille Karamaga, Director of Budget, Ministry of Finance
Vincent Karega, Director of SPPMD, Ministry of Finance (to Jan 2004)
Tharcisse Karugarama, Former head of Supreme Court
George Katureebe, Director-General CEPEX, Ministry of Finance (from March
2004)
Calixte Kayisire, Direction of Higher Education, Ministry of Education
Emmanuel Kayitana Imanzi, Rwandan Ambassador to Benelux, EU, Vatican
Charles Kayitana, Supreme Court
Gaston Mpatswe, Director of Economic Affairs, Office of President
Beatrice Mukabaranga, Rector, Kigali Institute of Education
Augustin Mukama, Director of Bilateral Relations, Ministry of Foreign Affairs
Constance Mukayuhi, MP and Chair of Budget Committee, National Assembly
Charles Murigande, Minister for Foreign Affairs, Ministry of Foreign Affairs
Prosper Musafiri, Director of Macro-Economy, Ministry of Finance
Rosemary Musemenali, Rwandan Ambassador to the UK
Protais Musingi, Minister of State for Good Governance, Ministry of Local Affairs
Joseph Mutaboba, Secretary-General, Ministry of Interior
Narcisse Muzabeyesu, Director of Primary Education, Ministry of Education
Alfred Ndahiro, Communications Advisor to the President, Office of the President
Désiré Ndushabandi, Secretary-General, Ministry of Health
Vianney Nizeyimana, Director of Planning, Ministry of Health
Juvenal Nkusi, MP and Chair of Economic and Trade Committee, National
Assembly
Jean-Jacques Nyirubutama, Director of Disbursements and Portfolio
Department, CEPEX, Ministry of Finance
Bill O'Hara, CfBT Rwanda and TA to Ministry of Education
Denis Polisi, Deputy Speaker of National Assembly
Tim Powell-Jackson, ODI fellow, Ministry of Health

Fred Quarshie, Advisor to Minister, Ministry of Finance
Leonard Rubagwiza, SPPMD, Ministry of Finance
Louis Rusa, Director of Health, Gender and Social Affairs, Province of Kigali-Ngali
John Bosco Ruzibuka, Director National Population Office (former head of CEPEX, Ministry of Finance (1998-2000)
Winston Rutaganira, Executive Secretary, Province of Ruhengeri
John Rutayisire, Director of Curriculum Development, Ministry of Education
Casimir Rutayitara, Secretary-General, Ministry of Education
Ernest Rwamucyo, Director of SPPMD, Ministry of Finance (since Jan 2004)
Servilien Sebasoni, Communications Advisor, Rwandan Patriotic Front
Alexander Semarinyota, National Coordinator of Decentralisation Management Unit, Ministry of Local Affairs
Augustus Seminega, Director of Community Development Fund
Antoine Somayire, MP and Chair of Foreign Affairs Committee, National Assembly
Francesca Tengera, CEPEX, Ministry of Finance
Bruno Versailles, ODI Fellow, Ministry of Finance
Claver Yisa, Director of Research and Planning, Ministry of Education

Belgian Representatives (Belgium)

Eddy Boutmans, Former Minister for Development Cooperation (1999-2003)
Louis Callewaert, Policy Division, DGCD
Sophie da Camara, Great Lakes Expert, DCGD
Jan Ceulemans, Flemish Parliament, Administration for Foreign Policy (Outside Europe)
Georges Dallemagne, Echevin, Bruxelles-Ville (former senator and previously with MSF)
Anne Dechamps, Central Africa desk, CGRI-DRI
Alain Destexhe, Senator, Belgian Senate
Francoise Donnay, Mozambique and Tanzania desk, DGCD
Jan de Ceuster, Rwanda-Burundi Desk Officer, BTC
Alexis de Crombrughe, Central Africa Department, Ministry of Foreign Affairs
Erwin de Wandel, mer staff in BE embassy Kigali
Ivan Godfroid, Central Africa Strategic Unit, Ministère des Affaires Etrangères
Geert Jennes, Budget Support Advisor, BTC
Jean Lint, Deputy Director-General, Africa Department, Ministry of Foreign Affairs (former ambassador to Rwanda)
Jean-Pierre Luxen, Head of BTC
Reginald Moreels, Former Minister for Development Cooperation (1995-1999)
Danielle Moreau, CGRI-DRI
Benoit Piret, Desk Officer for Rwanda and Burundi, BTC
Rudi Poulussen, Programme Officer, VVOB
Luc Scohier, APEFE
Robert Schriewer, Rwanda Desk Officer, DGCD
Michel Tierens, DCGD, Evaluations department (former TA in Rwanda)
Stephan van Praet, Conseiller on Afrique Centrale, Cabinet of Secrétaire d'Etat à la Coopération (to 2003)
Krista Verstraelen, Deputy Director, Cabinet Verwilghen, Director of Bilateral Relations

Koen Vervacke, Special Envoy on the Great Lakes Region, Ministry of Foreign Affairs
Marc van Wymeersch, Conflict Prevention Unit, DGCD

Belgian Representatives (Rwanda)

Jan Beijns, Representative, VVOB Rwanda
Dirk Brems, Deputy attache de cooperation, Belgian Embassy, Rwanda
Yves Cordier, Resident Representatives, BTC Rwanda
Dirk Deprez, Belgian TA to Ministry of Justice, Rwanda
Marc Gedopt, Belgian Ambassador, Rwanda
Jacques Gourdin, Cooperation Attaché, Belgian Embassy, Rwanda
Christelle Jocquet, Assistant Resident Representative, BTC Rwanda
Jean-Pol Jonet, BE TA for gacaca
Paul Lambers, BE TA Minecofin
Michel Nyst, Technical Assistant, Health Region of Kigali
Denis Porignon, Doctor in Public Health, former TA in Minisante
Bernard Storme, Technical Assistant, Ministry of Health
Andre Tourneur, Coordinator, APEFE Rwanda
Stephan van Bastelaere, Technical Assistant, Central Hospital of Kigali
Werner Vandenbulcke, Technical Assistant (health sector)

UK Representatives (UK)

Nick Bates, Political Analyst Great Lakes, Africa Great Lakes and Horn Department, DFID London
Sue Bassett, DFID London
Laure Beaufils, DFID London
Giles Bolton, DFID London
Greg Briffa, PRS and Aid Harmonisation Team, Policy Division, DFID London
Lynda Chalker, former Minister of Overseas Development Assistance
Tim Craddock, DFID London
Desmond Curran, DFID London
Peter Dearden, Economist Africa Division, Africa Great Lakes and Horn Department, DFID London
Nick Dyer, Head of European Union Department, DFID London
Dave Fish, Head of Africa Division, DFID UK
Tim Fisher, Political Officer, UK Embassy Rwanda
Bernard Harborne, Conflict Advisor, DFID London
Jonathon Hargreaves, Governance Adviser, Africa Great Lakes and Horn Department, DFID London
Barbara Kelly, DFID London (retired)
Tim Lamont, DFID London
Graham Loten, UK Ambassador to Rwanda (1998-2001)
Ann McKechnin, MP for Glasgow Maryhill, Glasgow
Mel McNulty, FCO London and FCO Nairobi
Kaye Oliver, Former ambassador to Rwanda (1995-1998)
Caroline Phillips, DFID Rwanda Desk, London
Mark Poston, DFID London
Cormac Quinn, DFID Rwanda Desk, London and DFID Kigali

Ben Shepherd, FCO Great Lakes Political Analyst, London
Anthony Smith, DFID London
Brendan Stanbury, DFID Rwanda Desk, London and DFID Kigali
Jenny Tonge, MP
Robert Wilkinson, Senior Conflict Advisor, DFID London (formerly Oxfam Rwanda)
Jonathan Wolstenholme, FCO London
Lillian Wong, FCO Africa Analyst, London

UK Representatives (Rwanda)

Rupert Bladon, Former governance advisor, DFID Kigali
Jo Bourne, Education Advisor, DFID Rwanda
Jacob Fondersson, DFID consultant, Rwandan Ministry of Finance (1998-2003)
Jean Gakwaya, DFID deputy programme manager, Rwanda
Sue Hogwood, UK Ambassador to Rwanda
Kieran Holmes, Technical Assistant, Rwanda Revenue Authority
Gerard Howe, Former social development advisor, DFID Rwanda
Mark James, Head of Office, DFID Rwanda (to March 2004)
Colin Kirk, Head of Office, DFID Kigali (from March 2004)
Harold Liversage, Technical Assistant, Rwandan Ministry of Land
Matt Maguire, DFID Rwanda
Charlotte Pierre, deputy programme manager, DFID Uganda
Harvey Smith, Consultant Coordinator, CfBT Kigali
Simon Stevens, Economics Advisor, DFID Rwanda
Harriet Wanjohi, Governance Advisor, DFID Rwanda

Representatives of other donor agencies

Omar Bakhet, UN Representative, Brussels (former UN Res Rep Kigali)
Cecilia Baldeh, Education Officer, UNICEF
Ellen Beijers, First secretary, Dutch Embassy
Ingrid Berg, Counsellor Development Cooperation, Embassy of Sweden, Rwanda
Serge Casseri, Cooperation Attaché, French Embassy, Rwanda
Sandra Diesel, SIDA
Mbaye Diouff, UNECA Kigali
Abdikarim M. Farah, Resident Representative, IMF Rwanda
Francis Gatare, Economist, UNDP Rwanda
Lambert Grijns, Deputy Head of Mission and Head of Development Cooperation, Embassy of the Netherlands, Rwanda
Wolf Grundies, First Secretary, German Embassy, Rwanda
Kjetil Hansen, UNDP, Deputy Resident Representative
Patrick Henderson, Director, USAID Rwanda
Macharia Kamau, Resident Coordinator, UNDP, Kigali
Akira Kara, JICA Kigali
Dietmar Krissler, Desk Officer for Rwanda and Burundi, European Commission, Brussels
Tom Leeming, Economist, EC Kigali
Kati Leinonen, EU TA to Ministry of Justice

Jacques Lépine, Head of Office and Development Cooperation, Embassy of Canada, Rwanda
Jeremy Lester, Head of Delegation, European Commission Delegation, Rwanda
Joachim Menke, GTZ-ETO/Ministry of Education, Rwanda
Carey McIntosh, US Embassy, Kigali
Verena Münzenmeier, Country Director, Swiss Agency for Development and Cooperation, Rwanda
Francesca Pavarini, European Commission, Rwanda
Christian Pouyez, CIDA
Guido Rurangwa, Economist, World Bank Kigali
Lisa Smirl, UNDP Coordination Specialist, Kigali
Esther Tidjani, GTZ
Philip Verwimp, Poverty economist, World Bank

Representatives of non-governmental bodies (Belgium)

Claver Kayumba, Research Student, Université Catholique de Louvain
Marc Kerckhove, CNCD
Bernard Leloup, PhD student and researcher, RUC, Anvers
Deo Mushayidi, COPDR, Rwandan opposition party
Jef de Molder, Bruidelijkladen
Joseph Ndahimana, Igihango
Charles Ntampaka, Lecturer in Law; editor of Dialogue - University of Namur; Dialogue
Robrecht Renard, Lecturer in Development Economics, RUC, Anvers
Filip Reyntjens, Director of Centre for the Study of the Great Lakes, RUC, Anvers
Eleazar Twagirayesu, Office of Senator de Clippele (Of Rwandan origin and running NGO)
Gauthier de Villers, Director, CEDAF, Institut Africain
Pierre Vanck, RCN
Indra van Gisbergen, 11.11.11
Han Verleyen, 11.11.11
Etienne van Parijs, Director, ACODEV
Jean-Claude Willame, Political Scientist, Université Catholique de Louvain

Representatives of non-governmental bodies (UK)

David Booth, ODI London
Karin Christiansen, ODI London
Ruth Driscoll, ODI London and former advisor to Clare Short
Andrew Durrant, MSF UK, London
Leslie Groves, former DFID and consultant, Edinburgh
Roger Hay, Consultant (health)
Dylan Henrickson, Centre for Defence Studies, King's College London
Tony Jackson, International Alert, Oxford
Jens Lerche, SOAS (former DFID)
Murray Macrae, Consultant (education)
Stephen Martin, Scottish Catholic International Aid Fund, Glasgow
Linda Melvern, Journalist

Mark Pallis, Coordinator, All Party Parliamentary Group on the Great Lakes
Region and Genocide Prevention, London
Laure-Helene Piron, ODI London
Pete Sampson, FEWER
John Short, Consultant (economics)
Anneke Van Woudenberg, Senior Researchers, Human Rights Watch, London

Representatives of NGOs (Rwanda)

Miranda Clarke, CARE International Rwanda
Mark Cummings, Trocaire Rwanda
Klaas de Jonge, Penal Reform International Rwanda
Antranik Handoyan, Danish Centre for Human Rights, Rwanda
Phil Hudson, VSO Rwanda
Andrew Jones, CARE International, Kigali
Odette Kabaya, Pro-Femmes / Twese Hamwe, Rwanda
Johnson Kyanga, Deputy Country Representative, Population Services International
Rwanda
Rosemarie McNairn, Programme Representative, Oxfam Rwanda
Jean Paul Mugiraneza, IRDP, Head Researcher
Naason Munyandamutsa, Director of IRDP Rwanda
François Munyentwari, Country Coordinator, ACORD Rwanda
Jean Charles Paras, Head of Office, Penal Reform International, Rwanda
Jean Paul Pinvidic, Programme Coordination, RCN Rwanda
Eddie Rogers, Country Director, Concern, Rwanda
Peter Sykes, Save the Children, Rwanda
Lars Waldorf, Human Rights Watch, Rwanda

* Job descriptions relate to positions held at the time of interviews.

APPENDIX 2: Donor Interview Schedule

DONOR QUESTIONNAIRE

Date:

Donor Agency:

Agency type:

Introduction:

Research is basically exploring the different ways in which donors, particularly bilateral donors, have delivered aid to Rwanda over the period between 1994 and today (so evolution of policy over the last 10 years and historical perspective on changes in donors); and how these different approaches affect the Government of Rwanda's own development strategies. Focusing particularly on the UK and Belgium as representing two quite different approaches (new/old, programme/project, EN/FR). Theoretical basis is the shift towards recipient ownership and with that the question of aid coordination and donor harmonisation. Have completed the first year of background work; now a year of fieldwork divided between total of 8 months in Rwanda, Belgium and the UK. Purpose of research in Rwanda is to gain the Rwandan perspective on donor activity; to get a greater insight into the implementation of UK and Belgium policy; to look at the dynamics between actors. But in order to understand where UK and Belgian policy fit into the wider scheme of GoR and donor activities, I am trying to build up a basic picture of the activities of the main bilateral and multilateral donors to Rwanda.

Therefore, I am following a fairly standard set of questions/issues for each agency, some of which may be less relevant to the particular circumstance of your agency's aid. Probably take an hour in total, so depends on your schedule whether do all now or some later.

1. Donor Presence in Rwanda

Embassy

Development Cooperation (separate entity, people within embassy, technical assistance)

History of representation:

- length of time here
- evolution of representation since 1994
- how recent Rwandan history has affected bilateral relations (guilt/suspicion?)

- Agency: role of personalities, changes in activities under different heads of office/ambassadors?

Other offices in region / regional approach

Relationship between Embassy and DC (foreign policy in relation to development objectives; coherence; ST/LT issues; difference between political and technical viewpoints on Rwanda).

Remit of DC rep v-a-v policy (decision-making authority, autonomy, decentralisation, consultation)

Staff of DC (number, roles, how long stay in agency)

How does length of presence in Rwanda contribute to relationships with different actors in Rwanda, be it GoR, particular interlocutors, local community actors, etc.

Information sources on Rwanda (knowledge base): basic literature and training of field staff; analysis by own experts or other experts; analysis by GoR. Sharing of information across donors? What sort of briefings do staff get on Rwanda while here and where does information come from? Do feel have a different perspective on Rwanda to other donors, and why?

2. Development Policy on Rwanda

2.1 General Development Policy

How would describe relationship with Rwanda (partnership, between governments, country-to-country, between populations). If use 'partnership', what does it mean?

Main development policy framework in general (legal basis, when dates from, 'mission statement', main theoretical reference framework - EU, DAC, MDGs, overriding objective of aid).

Basis of country-specific policy (how often revised? Who involved in policy-making?)

What are principal considerations which determine approach in a country (overall objectives, domestic concern, recipient needs – from donor and recipient perspective, socio-economic-political situation of recipient, absorptive capacity, agency budget, agency spread).

2.2. Rwanda Policy

Why active in Rwanda in first place? What are driving forces (moral, ownership, rational choice, strategic, wider goals).

Policy evolution: pre-1994; since 1994; now? What behind changes (global shifts, corporate policy, GoR). Significant changes between domestic legislatures?

Size of programme (budget, multi-annual). If increasing or decreasing, why?

Basic policy thrust – what does aid seek to achieve in Rwanda? What are the targets? If it is poverty, for example, what would say is the primary cause of poverty in Rwanda? How does agency strategy feel that objective can best be served?

Importance of Rwanda to overall development cooperation objectives; where does Rwanda rank in amounts of assistance / policy priority? Is aid proportionate to size of country or needs?

Modalities (project, programme, TA, bilateral, multilateral, INGO, local NGO). Agency position on aid modalities in general (not just Rwanda). Pros/cons of channels using. Clash/complementarity between different approaches. Who should be key development actor (recipient government, NGOs, community groups, individuals).

Rationale for modalities in Rwanda:

- if project, why (corporate, GoR); do provide programme aid through multilateral agencies – contradiction or less political alternative?
- If programme, why (domestic policy, Rwandan need – conflict, transition, good gov, trust, ‘new’ status of GoR, knowledge) and how (SWAp, BS, TA). Does PA require a positive view of GoR, trust, confidence, knowledge? If so, what is basis of agency perspective?
- If not programme, do use this mechanism in any other countries. If so, why there and not in Rwanda?

Key sectors (how are priorities determined, how decide sectors, ST/LT interventions – when preparing projects/sectoral activities do refer to recipient policy documents, discussions with stakeholders, does recipient approach you with idea or other way around, whose knowledge feeds decision on projects, do you feel that you adapt ideas to recipient realities, or does the recipient adapt ideas to suit your ability to support)

Have you had significant input into GoR policy in the sectors you are working in? If so, how?

Geographical distribution of activities

Disbursement mechanisms – timing over year.

Time frame of projects / aid (depends on project, annual, LT commitment)

How much are activities determined by Rwandan specificities; how much by donor experience and resources? What, if anything, is ‘special’ about the Rwandan programme?

Contract/conditions/terms attached to aid (GoR commitments, mutual trust, donor conditionalities, MoU, policy dialogue, long ‘partnership’). How does length of relationship affect these terms?

To what extent is the policy environment in Rwanda conducive to the effective use of aid?

Evaluation – does follow-up funding / next year’s funding depend on outcome of evaluation.

Is domestic public/political willingness to continue working with Rwanda premised on results? If so, how are these measured? How important is visibility to continuing public/political support for programme?

2.2 Implementation

How activities are managed

Key interlocutors (civil society, NGOs, GoR) – progressive forces?

Nature of dialogue (informal/formal relations, behind scenes discussions, TA, influence over policy-making, who controls) – how would characterise (easy, problematic, tense, constructive?)

Role of the Rwandan side in activities (decision-making process, negotiation, management, autonomy, flexibility)

If TA, then what sort of work doing; where does TA come from? How hired? LT or ST? Remit? Activities?

What sort of leverage does your strategy give you over the GoR if any? Do you think some donors have more leverage than others and if so, why? What matters more – length of relationship or extent of support?

Positive/negative aspects of relationship/activities/policy. How successful are interventions in Rwanda? How is success determined?

Engagement with PRSP or other 'Rwandan-owned' document. How do own strategies reflect PRSP framework. Views/expectations of PRSP – instrument for donors or instrument for Rwanda. Anything doing that is not included in PRSP and how justify it?

3. Donor Coordination

How much know about activities of other donors?

Position on donor coordination and harmonisation. What does coordination mean (compromise, clashes, negotiation, interests of recipient)? What counts as coordination (joint meetings, joint policy, negotiation and compromise, joint implementation); what levels (technical/operational/political/diplomatic)?

Evolution of coordination and harmonisation in Rwanda. If more coordination now, why?

Coordination with other donors and with GoR – why and how (formal, semi-formal, informal). Who coordinating with, on what? Who driving?

Any clash of agendas with other donors; do activities of other donors complement/obstruct?

Sectors where agency is leading? Has GoR asked agency to lead? How work with other donors in sector (joint meetings with GoR, joint meetings with donors, done through GoR, agency leads?)

GoR literature implies that it wants to gain more control over aid flows, i.e. through more coherent aid, better coordination. Views on this? Has GoR become more demanding about aid and how? Response to GoR demands for more ownership and coordination.

What takes primacy in compromises: recipient need or donor policy?

Opinion of CEPEX; how much work with CEPEX?

4. Ownership

'Ownership' is a concept I am engaging with:

- is 'ownership' a concept used in agency policy

- what is the word in native language
- is ownership more about recipient responsibility for aid effectiveness or about giving the recipient control (which implies donor giving it up)
- how is position on 'ownership' reflected in strategies?
- Potential for more 'o' (strengthened GoR capacity, good governance)

5. General Issues

How would define Rwanda's current political; current economic status (stable, post-conflict, unstable, weak, strong?). Opinion on direction country is going (model, success story, on verge of disaster)? Opinion on outcome of elections.

Views on GoR policy strategies.

What are major risks involved in the Rwanda programme?

Opinion on the importance of aid to Rwanda and GoR.

Several people have pointed out to me the changes in Rwanda since about 1997 in development terms. What to you think lies behind this? Has aid played a role and how?

Expectations of aid now – do see difference between 'transition' Rwanda and 'post-election' Rwanda?

Importance of personalities/personal commitments of politicians or agency representatives to aid strategies in Rwanda?

Are active in other post-conflict countries? Differences between there and in Rwanda?

Has Rwanda ever refused aid from agency?

Language an issue in work with Ministries/actors?

Has President/Prime Minister/Foreign Affairs Minister visited Rwanda?

How do political events in Rwanda affect aid – how quickly does aid respond? Fluctuations in aid quantities on graph.

Differences between views in-country and in HQ

Personal story of interviewee v-a-v Rwanda.

APPENDIX 3: Total Overseas Development Aid to Rwanda 1992 - 2003

TOTAL OVERSEAS DEVELOPMENT AID TO RWANDA: 1992-2003 (\$US million)

DONOR	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
OECD Countries												
AUSTRALIA	-	-	7.67	0.48	5.44	3.18	1.57	0.02	0.02	-	-	-
AUSTRIA	8.54	4.36	2.29	3.49	2.84	1.44	5.09	6.17	1.19	0.41	1.9	3.0
BELGIUM	45.65	36.66	29.1	14.04	31.29	21.09	23.17	21.04	16.03	11.55	21.9	20.8
CANADA	13.61	11.2	18.2	16.76	20.37	21.41	10.1	6.24	6.67	6.68	5.6	10.8
DENMARK	1.53	0.76	0.34	0.89	0.42	1.75	2.08	1.43	1.2	2.68	0.5	1.8
FINLAND	0.46	0.29	2.31	2.77	1.02	0.85	0.56	0.53	0.56	0.41	0.9	0.9
FRANCE	30.16	35.53	29.8	11.75	16.56	16.07	33.17	16.22	12.69	10.61	9.3	10.9
GERMANY	43.59	38.56	46.57	52.06	45.64	26	20.55	18.76	13.77	14.59	10.8	13.9
GREECE	-	-	-	-	-	-	-	0.02	0.01	0.01	-	-
IRELAND	0.07	0.01	4.04	6.31	5.46	4	3.4	2.48	1.79	1.05	1.4	2.0
ITALY	1.87	2.97	12.44	3.85	4.18	4.06	3.86	2.46	0.81	1.18	1.0	0.2
JAPAN	16.81	14.94	16.47	1.5	0.55	8.13	9.03	7.95	3.36	1.03	0.4	0.7
LUXEMBOURG	0.59	1.27	1.63	1.15	1.83	2.06	3.05	1.8	2.26	1.79	4	3.9
NETHERLANDS	6.88	7.18	32.22	46.67	41.11	29.21	29.01	20.34	20.42	19.16	19.6	23.0
NEW ZEALAND	-	-	1.3	0.8	0.17	0.21	0.09	-	0.04	0.11	0.1	0.1
NORWAY	0.34	1.26	8.78	16.33	24.49	11.07	8.8	4.84	4.27	2.03	6.1	8.0
PORTUGAL	-	-	0.11	-	0.14	0.06	-	-	-	-	-	1.0
SPAIN	-	0.82	6.53	8.11	4.49	0.47	0.22	0.15	0.3	0.77	0.7	0.7
SWEDEN	0.3	3.35	12.11	5.81	5.43	1.9	9.93	13.11	14.63	8.43	15.6	13.1
SWITZERLAND	13.79	20.21	22.57	17.78	17.54	12.14	7.15	7.02	5.04	3.49	3.9	6.9
UNITED KINGDOM	0.34	1.2	44.59	34.5	19.28	10.04	20.59	26.53	52.67	36.76	52.6	42.9
UNITED STATES	7	26	194	101	10	9	22.98	39.78	22.93	31.08	46.4	52.6
EUROPEAN UNION												
European Commission	82.59	36.01	45.68	18.5	55.99	46.57	27.21	39.62	49.75	45.24	41.7	54.0
EC + EU Members	222.57	168.97	269.76	209.9	235.68	165.57	181.89	170.66	188.08	154.64	181.5	192.0
UN AGENCIES												
UNFPA	0.61	0.72	0.56	0.66	0.73	1.49	0.86	1.74	0.72	1.56	1.7	2.0
UNTA	1.24	2.24	1.67	3.07	1.11	2.76	1.12	1.85	2.88	1.49	2.1	2.2
UNHCR	1.61	6.05	75.14	100.24	-	-	-	-	7.65	7.43	6.9	5.4
IFAD	2.59	2.92	0.2	-	1.61	4.15	5.78	2.83	3.96	5.3	3.8	4.6
UNICEF	4.5	-	32.28	32.69	22.37	2.6	1.25	2.19	3.14	2.78	3.0	3.0
WFP	7.3	53.94	47.74	150.71	80.72	-69.8	4.6	33.95	19.98	-	4.8	6.7
UNDP	7.81	4.42	3.09	5.07	5.07	10.45	9.74	12.2	5.37	2.72	2.1	3.5
OTHER UN	2.52	2.14	4.78	7.39	1.34	-	-	-	0.56	-0.43	1.1	0.6
ARAB AGENCIES												
	2.91	-	-	-	-	-	-	-	1.2	6.0	4.4	6.5
IFIs												
AFRICAN DEV. FUND	23.55	8.29	3.72	21.84	9.93	11.13	17.68	13.26	4	12.03	13.0	9.9
IDA (World Bank)	31.83	39.22	11.77	34.79	42.6	52.9	66.69	69.19	37.19	65.43	87.0	38.8
TOTAL DONORS	361.63	365.53	722.98	721.11	481.05	246.92	365.6	403.1	342.34	315.06	374.9	355.2

Notes: The Total Official Assistance (OA) includes grants or loans to countries and territories which are : - undertaken by the official sector; - with promotion of economic development and welfare as the main objective. - at concessional financial terms (if a loan, have a grant element of at least 25 per cent).

Source: Organisation for Economic Cooperation and Development, *International Development Statistics, ESDS International*, University of Manchester, accessed: 12 May 2005

APPENDIX 4: Coordination Questionnaire

COORDINATION AND HARMONISATION IN RWANDA QUESTIONNAIRE

Thank you very much for taking a few minutes to complete this short survey – it's not as long as it seems!

Over the last 10 years, there have been important shifts in the debates around aid effectiveness at a global level. Consequently, there has been a drive towards better coordination of aid activities in a variety of ways, from improved information sharing to harmonisation of procedures.

The objective of this questionnaire is to gather some very basic information on coordination processes in Rwanda today, in particular the understandings of this process among representatives of donors and Government.

This activity is being run jointly by Lisa Smirl, Coordination Specialist at UNDP Rwanda, and Rachel Hayman, research student from the University of Edinburgh working on aid mechanisms in Rwanda.

Information given in this survey is anonymous and will be treated confidentially. The overall results will be used to:

- a) Give an overall sense of understanding of coordination processes in Rwanda
- b) Provide a basis for discussion at a HARRP workshop on coordination activities
- c) Feed into Rachel's research

1. About Yourself (please tick relevant box)

Do you represent: The Government of Rwanda ☐ A Donor Agency ☐

2. Terminology

Which of the following options would you associate with the term 'coordination' (tick as many or as few as you like?)

- | | |
|--|--------------------------|
| Sharing of information between development partners | <input type="checkbox"/> |
| Participating in GoR/donor meetings | <input type="checkbox"/> |
| Avoiding duplication of activities | <input type="checkbox"/> |
| Reducing transaction costs for the GoR | <input type="checkbox"/> |
| Providing pooled or 'basket' funding to specific sectors | <input type="checkbox"/> |
| Progressing from project to programme support | <input type="checkbox"/> |
| Simplifying working relationships between development partners | <input type="checkbox"/> |

- | | |
|---|---|
| Developing sector strategies | <input type="checkbox"/> |
| Engaging in policy dialogue | <input type="checkbox"/> |
| Harmonisation of operational procedures and practices | <input type="checkbox"/> |
| Conducting joint activities, e.g. programmes, projects, reviews | <input type="checkbox"/> |
| Enhancing GoR ownership of development policies and actions | <input type="checkbox"/> |
| Other | <input type="checkbox"/> (please specify) |

... /...

3. Coordination Activities

What sort of activities is your organisation engaged in (tick as many or a few as your like)?

- | | |
|-------------------------------------|---|
| Annual Development Partners Meeting | <input type="checkbox"/> |
| DPCG | <input type="checkbox"/> |
| HARRP | <input type="checkbox"/> |
| Joint Reviews | <input type="checkbox"/> |
| Cluster groups | <input type="checkbox"/> |
| Sector strategy development | <input type="checkbox"/> |
| Ad-hoc actions with other donors | <input type="checkbox"/> |
| Other | <input type="checkbox"/> (please specify) |

4. Advantages of Coordination

List three key advantages of coordination:

- i.
- ii.
- iii.

5. Obstacles to Coordination

List three obstacles to coordination which you encounter:

- i.
- ii.
- iii.

6. Leadership of Coordination Processes

In your opinion, who should take the lead on coordination?

7. High level and ground perspectives (for donor representatives only)

- a. How important is coordination to your country's/organisation's overall objectives for aid:

Very important	<input type="checkbox"/>
Fairly important	<input type="checkbox"/>
Neither important nor unimportant	<input type="checkbox"/>
Fairly unimportant	<input type="checkbox"/>
Very unimportant	<input type="checkbox"/>

.../...

- b. Within your overall remit, how much flexibility do you have to commit to coordination activities:

Lots of flexibility	<input type="checkbox"/>
Some flexibility	<input type="checkbox"/>
Limited flexibility	<input type="checkbox"/>

8. If you are a GoR representative, please answer question a; if you are a donor representative please answer question b.

- a. What do you think donors want to achieve with coordination (GoR representatives only) ?

- b. What do you think the GoR wants to achieve with coordination (donor representatives only)?

9. The Ultimate Goal

What is the ultimate goal of aid coordination in your opinion?

10. In general, how would you rate coordination processes in Rwanda at the present time? Please tick one option only.

- | | | |
|-----------------------------------|--------------------------|--------------------------|
| Highly effective | <input type="checkbox"/> | |
| Fairly effective | <input type="checkbox"/> | |
| Neither effective nor ineffective | | <input type="checkbox"/> |
| Fairly ineffective | <input type="checkbox"/> | |
| Highly ineffective | <input type="checkbox"/> | |

11. Please use the space provided below to make any comments about coordination in Rwanda

Thank you very much for your participation



Please hand your completed questionnaire to the designated person at this meeting/in your office